



Facilitating Access to Coordinated Transportation

Meeting Agenda and Notice
FACT Board of Directors Meeting
June 25, 2015, 9:00 am
Poinsettia Room, Encinitas City Hall
505 S. Vulcan Avenue, Encinitas, CA 92024

AGENDA

- | | |
|--|-------------|
| Meeting call to order | 9:00 |
| a.m. | |
| 1. Introductions | |
| 2. Approval of May 28 Board meeting minutes | p-2 |
| ACTION | |
| 3. Public Comment | |
| INFORMATION | |
| 4. Business Plan update | p-12 |
| ACTION | |
| 5. August 27, 2015 Board meeting schedule | p-13 |
| ACTION | |
| 6. Review of proposals for Lease of 12 FACT owned vehicles | p-14 |
| POSSIBLE ACTION | |
| 7. Update on software procurement | |
| INFORMATION | |
| 8. FACT services updates | p-16 |
| INFORMATION | |
| 9. Monthly Financial Reports | p-20 |
| ACTION | |
| <ul style="list-style-type: none">• Finance Committee Meeting Report• Review of DRAFT 2015-16 Budget• Review of Financial statements | |
| 10. Executive Director's report | p-27 |
| INFORMATION | |
| 11. Board member comments/proposed agenda items | |
| INFORMATION | |
| 12. CLOSED SESSION | |
| <ul style="list-style-type: none">• Threat of potential litigation• ED performance review | |

ADJOURNMENT

FACT's Mission <i>Assist San Diego County residents with barriers to mobility to achieve independence through coordination of transportation services</i>
--

ITEM # 2**FACT Board of Directors' Meeting Minutes**

May 28, 2015

Encinitas City Hall, Poinsettia Room

505 South Vulcan Avenue, Encinitas, CA 92024

Board Members Attending	Phil Monroe, LaVonna Connelly, Bob Campbell, Hon. John Aguilera, Susan Hafner, Hon. George Gastil
TAC Members Attending	Danielle Kochman-SANDAG, Lois Knowlton-ADHCC
Board Members Absent	Hon. Dave Roberts, Norine Sigafoose
Staff Attending	Arun Prem, Meagan Schmidt, Budd Anderson, Oswaldo Perez
Public/Guests	See sign in sheet
Introductions	Vice Chair Bob Campbell called the meeting to order at 9:05AM. Phil Monroe led the group in the Pledge of Allegiance. Introductions were made.
Approval of March 26, 2015 Board Meeting minutes	Motion to approve the April 23, 2015 Board Meeting minutes made by Susan Hafner. Second by Phil Monroe. The motion passed with 5 votes (George Gastil was absent for vote).
Public Comment	Lois Knowlton indicated that there may be a delay in the delivery of 5310 vehicles due to a staffing change at Caltrans that resulted in vehicle inspections being postponed by the state. Danielle Kochman said SANDAG was meeting with Diane Eidam to work on updating the CTSA contract.
Board report on proposed implementation of: <ul style="list-style-type: none"> • Customer Survey Card • Rider Acknowledgment 	Arun summarized passed discussions regarding the Customer Service Card, Rider Acknowledgment, Code of Conduct, and Suspension Policy. He said the agenda item was related to the implementation of these documents scheduled for July 1, 2015. He said initially the Customer Service Cards would be tested with one vendor - AAA. He summarized the Rider Acknowledgment which stated FACT's mission and obligation to the rider. He reviewed the Code of Conduct which was incorporated on the back of the Rider Acknowledgment. Riders would sign the Rider. FACT staff would begin informing riders via phone of the policy and the requirement to sign the acknowledgment by July 1, 2015 in order to continue riding with RideFACT. The policy would help riders understand

- Code of Conduct

that FACT could not accommodate every trip request and was not liable for trips that could not be performed. He reviewed the Suspension Policy related to violations of the Code of Conduct. The Code of Conduct would apply to riders, staff, and vendors, but the suspension policy would only apply to rider conduct; staff and vendor conduct issues would be addressed per existing personnel policies or Board action.

LaVonna wondered if having staff investigate rider conduct could be perceived as being biased. There many complications related to implementing a violation policy. He said the policy was deliberately designed to be simple and stringent in order to limit the use of FACT resources in administering the policy. John asked if staff determined the 30 day suspension. Arun confirmed. John asked for confirmation that the driver would fill out an incident report and staff would contact the rider to discuss their conduct based on the incident report. Arun confirmed. Phil asked whether the rider should have to sign an acknowledgment statement. He said FACT could send the documents to riders and request a return signature to indicate that they had received the information. John asked what would happen if a rider did not return the signed acknowledgment. Arun said the rider would not be allowed to ride after July 1, 2015. Phil asked what it meant to sign the acknowledgement. Arun said signing the acknowledgment indicated that the rider had read and understood the information provided in the statement, which summarized FACT as an organization and its obligation to the rider. Signing the statement acknowledged that the rider understood FACT's services and agreed to comply with FACT's policies and Code of Conduct. He said the document could be referenced when a rider complaint arose from a trip request not being accommodated. George said the Rider Acknowledgment educated riders on what they were getting into by using FACT's services.

Susan asked if Arun had any examples of other organizations that required a Rider Acknowledgement. Arun indicated that he was not aware of other organizations that require an acknowledgment. Meagan Schmidt noted that the City of Oceanside required riders to sign a waiver that included their code of conduct and policy information. Arun indicated that the City's waiver was lengthy and included insurance waivers and disclaimers. Susan wondered how funding agencies would perceive the Rider Acknowledgement. She expressed concerned with not providing service to individuals because their acknowledgment was not received. Language and cognitive difficulties were discussed as potential barriers to returning the signed acknowledgment. Phil said the Oceanside program was different because they had a certification process based on eligibility criteria as opposed to most of FACT's services that were open to the

general public. He said most callers just wanted a ride similar to a taxi cab and felt that signing the acknowledgment was not appropriate for FACT to require. Bob asked vendors for their feedback. Ben Macias said he had not encountered an acknowledgement statement throughout his years in the industry. Ben and Bruce McGrath indicated that their rider conduct issues had been dealt with on an individual basis. Arun clarified that the acknowledgment was not a waiver and the rider was not waiving any rights by signing the form. He said the signed statement merely acknowledged that the rider understood that FACT could not guarantee every trip request. He said this was important because some riders have had the impression that FACT was in violation of the law by not accommodating every trip request and have complained to funding agencies.

Danielle Kochman said SANDAG supported and would soon require sub-grantees to implement some type of service policy. She indicated that SANDAG was responsible for reviewing Title VI complaints related to sub-grantees and recently there had been an increase in complaints. She noted that she was unaware if a signature portion was being discussed. From her perspective, signing a form was not a huge burden and compared it to signing a HIPPA form at the doctor's office. John suggested including a sentence that stated that the Rider Acknowledgment was not a waiver of any rights including Title VI rights. LaVonna asked if brokerage vendors were okay managing and distributing the forms for FACT. Arun said this approach may not be practical or consistent enough to be valid. He indicated that signing the document may not make a significant difference in the form's effectiveness. George said the key aspect was to ensure that the riders received the information. He said the signature merely confirmed that the rider was informed. John recommended mailing the documents to riders and informing them via phone that they would be receiving the information.

Motion to approve the implementation of the Rider Acknowledgement with the following amendments: Include a statement that recognizes that the rider is not waiving any rights, remove the signature line and requirement for riders to sign the acknowledgment, and mail the acknowledgment to all existing riders and any new riders; maintain copies of the acknowledgement in vendor vehicles, and incorporate the information on FACT's website made by John Aguilera. Second by Susan Hafner. George asked staff whether the motion was in the spirit of what was trying to be accomplished. Arun confirmed and said as long as the policy was valid and enforceable, then signatures were not needed.

	<p>Meagan Schmidt said that FACT’s attorney recommended an edit to the Suspension Policy - to implement the 30 day rider suspension after an investigation was concluded and not the day after the violation. George noted that part of acknowledgement was to ensure that riders understood that FACT was not required to provide them service when their behavior was an issue. He said FACT wanted individuals to perceive the rides as a privilege and not an entitlement. John and Susan agreed with FACT’s attorney’s recommendation to implement the 30 day suspension after an investigation was concluded and included the amendment in their motion and second. The motion passed unanimously.</p>
<p>Business Plan updates</p>	<p>In April 2015, the Board approved a list of all proposed revisions to projects/status in the 2016-21 Business Plan. Arun said the draft plan was available and would be sent to the Board for review following the Board Meeting. He recommended that the Board review the Plan and provide feedback or approval at the June 2015 Board Meeting.</p>
<p>Customer Service follow up - Report to Board</p> <ul style="list-style-type: none"> • Use of GPS devices for navigation • Complaints Review Committee 	<p>Arun said the report to the Board was in response to public comment by riders. FACT researched the proper use of GPS devices and hand positioning for holding the steering wheel. It was determined that there was no legal requirement for the placement of GPS devices, but as good practice FACT would suggest and monitor appropriate GPS device placement. Phil asked if drivers looked at the GPS map or if they relied on the audio GPS feature. Bruce indicated that drivers mainly used the audio feature, but periodically glanced at the map when stopped to determine their location relevant to the destination. Arun said there were a variety of recommendation on how to position hands on the steering wheel and there was not a specific position required by law.</p> <p>Due to the limited time at Board Meetings, there was discussion regarding the formation of a separate committee to review and address customer complaints. Arun said there was not a specific recommendation from the Board, but he wanted to address the topic in case there was follow up. LaVonna asked whether customers would still be able to address the Board during public comment if a Complaints Review Committee was formed. She said some members of the public may find it therapeutic to address the Board and vent their complaints. Bob indicated that public comment would always be available and encouraged. He noted that public comment was compact and did not allow the Board to take action. LaVonna asked for clarification on the proposed process. Arun said the Compliant Review Committee presented an additional option for customer’s to discuss their issues. For instance, Instead of waiting for the next Board Meeting to speak during public comment, the rider could</p>

discuss their issue with the committee. He said the Board could also refer a public comment to the committee for follow up or a detailed investigation if warranted.

John said a time limit needed to be established for public comments. He said City Council Meetings typically limited public comments to 3 minutes. Bob noted that as a courtesy the standard time limit could be waived at the discretion of the Board. Susan proposed setting a standard 3 minute time limit that could be waived by the Board to 10 minutes as a gesture of goodwill. She expressed uncertainty for how involved a policy Board should be in dealing with the details of an operational complaint. She said forming a committee would require a time commitment from Board members and indicated that she would not be able to accommodate this. George said it was more likely that the Board would refer complaints back to staff and wanted to ensure that riders were talking to staff before coming to Board meetings. Riders could always address the Board during the 3-minute public comment if they felt there was an issue that needed to be disclosed directly to the Board. He said maybe there was a way to communicate to riders that the FACT Board Meeting was not a venue to resolve complaints. Since FACT served all of San Diego County, Phil expressed concern with some riders having to travel long distances to Board Meetings to speak for only 3 minutes. Due to this he was in favor of having the option to extend public comment. LaVonna said a Complaint Review Committee may not be necessary once the policy was implemented. Bob noted that there would be some riders who would never be satisfied with dealing with staff and may feel the need to address a higher body to get a resolution. In light of the amount of clients served and trips performed, Bob commended staff for doing a great job handling customer issues. Bob clarified that there was not a Complaint Review Committee at the moment.

<p>Notice of Availability for Lease of 12 FACT owned vehicles</p>	<p>Bob briefed George on discussion that took place at the May Board Meeting. Arun reviewed past discussions regarding the proposed notification regarding lease of FACT owned vehicles. He said the discussion was not concluded, specifically the part pertaining to how to include vendors that were not a good fit for the brokerage, into the lease agreement. He said FACT had 10 vehicles that were currently leased to brokerage vendors and would be receiving 12 new vehicles that were expected to be delivered soon. Staff provided a draft Notice of Availability for Board review. The notice would be distributed to gauge interest in the community. In response to Board concerns that FACT's email list may exclude interested parties, staff obtained a list of taxi operators registered with the Taxi Commission. He noted that the Board had also volunteered to help with additional outreach. He said after Board approval, the notice would be ready for distribution. He said discussion was needed to determine whether to extend lease opportunities to nontraditional applicants that could meet the Caltrans reporting requirements, but not operate as a brokerage vendor. He reminded the Board that there was a lack of capacity in the brokerage to lease all 12 vehicles. Bob noted that the response time to the notice was only 9 days. Arun said it was not a fixed timeline and the due date could be extended.</p> <p>LaVonna discussed leasing vehicles to individual families or a local organization such as the Ramona Senior Center. She wondered if leasing the vehicles in this manner would be good use of FACT vehicles. She said they would serve the intended demographic, but only a small population in a limited area of the County. Arun said applicants that provided services that more closely aligned with FACT's mission would be prioritized in the evaluation process. Arun indicated that anyone could respond to the Notice of Availability as long as they provided transportation for seniors and persons with disabilities in San Diego County. Bruce asked if the description of the vehicles had been sent out in writing or posted somewhere. Arun said it was included in the agenda packet and part of the notice. Bob said FACT needed to consider whether it was being reactive instead of proactive in establishing a priority for the use of the vehicles. Arun said the brokerage had limited means to implement FACT's agenda and perhaps it was time to look at other alternatives to providing services. Phil asked what FACT specified in the grant application regarding the use of the vehicle. Arun said the application indicated that FACT would use the vehicle to replace older vehicles as well as lease out additional vehicles. Phil said thinking outside the box, it may be time for FACT to form a transportation company to accommodate the underserved ADA population of San Diego County. Arun said this would be a great topic to discuss at the next Board Retreat. Bob said this might put FACT in</p>
---	--

competition with existing contractors. Phil noted that the contractors declined the opportunity to lease vehicles. Bob said he did not want to diminish contractor businesses. John said FACT had to consider the supply and demand issue. LaVonna said it appeared to be an issue with capacity on the vender end.

Susan said part of the reason the State had additional vehicles was due to nonprofits not being able to meet the standards for reporting, maintaining, and operating a vehicle. The challenge was the expenses related to operating the vehicles, which made it an unreasonable business venture for nonprofits. FACT needed to determine what type of operating structure or business model it wanted to pursue. She said it was FACT's role to connect the vehicles with the people. She discussed the option of temporarily leasing unused vehicles to MTS or NCTD until an operating paradigm was developed. Bob noted that Penske had a similar model and leased underutilized vehicles based surges in business. He discussed injured veterans as an underserved population that FACT should look into. He asked if part of the ADA population was not being served by paratransit services because route boundaries. Arun indicated that FACT had been receiving referrals from NCTD for individuals who were recently disenfranchised by the redefining of LIFT service area. Based on current policies, FACT could not make an exception for NCTD client, but if individuals met the eligibility requirement and had no other options, they could use RideFACT. He indicated that he spoke with Mike Wygant from NCTD regarding leasing vehicles from FACT. Mike indicated that he would consider the proposal. He said he would discuss the option with MTS based on Susan's recommendation. He discussed ALC's model of subcontracting with one person operators as an option. These type of operators would probably be interested in leasing a vehicle, especially if there were no upfront costs. He was not sure administratively how cumbersome it would be to manage this type of model with FACT's current infrastructure.

Bob asked for SANDAG's view on the topic. Danielle said she could not comment on SANDAG's views, but could share her thoughts. She recalled that past Software and Service Development Committee Meetings included discussion regarding the lack of accessible vehicles within the brokerage. She said maybe there was some kind of incentive FACT could offer current brokerage vendors to entice them to lease accessible vehicles in order to branch out there services and increase the brokerage capacity. Susan said FACT needed to capture the financial cost of operating a vehicle. She wondered if vendor interest would grow if a grant were made available to assist with the financial burden of operating a

vehicle. Bruce indicated that there were other costs to consider such as insurance, payroll, contractor expenses, etc. He noted that the organization leasing the vehicles would have the liability of providing FACT trips. He said it was expensive to operate vehicles and discussed the cost of maintenance, insurance, and fuel. He said on top of these expenses, FACT's lease agreement required 3 trips a day per vehicle, which was a burden for providers. He felt that if the trip requirements were loosened up a bit, more vendors within the brokerage would be willing to lease a vehicle. Bob said there was no free lunch. Ben said perhaps there could be a compromise. Lois noted that drivers needed to be trained, which was also an additional cost.

Arun said the discussion was becoming larger than the intended agenda item and would like the opportunity to balance the discussion. He indicated that what FACT was doing was unprecedented in terms of favorable leases to vendors and to his knowledge no other agency was leasing 5310 vehicles in this manner. He explained that FACT used Monterey-Salinas Transit's lease model as an example. Unlike FACT, Monterey-Salinas Transit made vendors pay 20% of the cost of the vehicle, which was equal to the match Caltrans used to require. He said FACT waived this cost in the interest of supporting vendors and the brokerage. The only cost of the lease was to provide 3 trips per vehicle per day, which was also required by Monterey-Salinas Transit. He explained that with a regular lease arrangement vendors would incur a monthly lease cost, fees associated with exceeding a mileage cap, and costs related to wear and tear on the vehicle, in addition to regular operating expenses. He indicated that FACT's lease had no mileage cap and required no payment besides providing 3 trips per day. He felt that FACT's lease arrangement was the best deal available anywhere and it would be unreasonable to expect operating assistance as well. He was willing to work with vendors to possibly restructure the payments or accommodate service hour constraints. LaVonna said she understood Arun's concerns, but wondered if there were other options such as having the vendor pay 20% of vehicle cost upfront. Arun said this option would be great. Ben said the flip side was that non-profit vendors could apply for the 5310 vehicles on their own and would not have to incur the cost of providing 3 free trips per day.

Bob said he understood both perspectives and indicated that the issue would not be resolved during the meeting. He asked Susan for her feedback. Susan proposed holding a work session to continue the discussion and review vehicle and lease cost information. She said FACT needed to decide how to use the 12 vehicles that would be delivered soon. Arun explained that it was not a problem arranging parking for the

	<p>vehicles and noted that Caltrans was lenient on compliance for the first couple of months. He said he did not want these discussions to lead to the impression that FACT was in a desperate situation. He said FACT wanted to make the best possible use of the vehicles that aligned with its mission. Bob agreed and said this was important to note.</p> <p>Motion to follow up on the lease discussion with a work session to include lessees, vendors, SANDAG and other stakeholders made by Susan Hafner. Second by John Aguilera. The motion passed unanimously.</p>
<p>Update on software procurement</p>	<p>Arun said there was a minor set back during the procurement of the brokerage software and other technologies associated with the VTCLI project. SANDAG had informed 2-1-1 that some of the required forms had not been signed by some of the proposers. SANDAG advised 2-1-1 to reissue the bids. FACT had informed interested software vendors of bid</p>

	reissue.
<p>FACT services updates</p> <ul style="list-style-type: none"> • Oceanside contract extension • Coordinating rides for Special Olympics 	<p>Meagan reviewed monthly service updates for contracted services and RideFACT. She discussed FACT’s new contract with Elderhelp. FACT Began providing service for Elderhelp on March 12th and provided 36 trips in March. On average FACT anticipated 20 one way trips requests per week. She noted that the service requests exceeded 20 one way trips in April and May. FACT received the trips that Elderhelp could not accommodate through their volunteer driver program. She said Arun and herself met with Anthony Ferguson, Transportation manager for the San Diego Regional Center. Arun indicated that some Board Members wondered why FACT was not performing transportation for the Regional Center. During the meeting, Anthony explained that the Regional Centers rates for transportation were fixed by the state at approximately \$6.5 per 1 way trip per person. He indicated that the rates were not feasible for FACT. He said some contractors have made this arrangement work by accumulated trips over the years and grouping riders in large vehicles. He explained that this would be an expensive proposition for FACT until it acquired enough trips that could be grouped to meet the financial breakeven point. He said Anthony was not in favor of working with FACT on regular transportation, but indicated that FACT maybe able to assist with trips that could not be accommodated by their regular existing contracts. Lois noted that Regional Centers were suffering from lack of funds.</p> <p>Arun indicated that FACT suspended service for SDCOE as a result of CityLink’s quality of service. CityLink was the only vendor in the brokerage that had drivers who were certified by SDCOE. FACT needed to inspect the practices and vehicles of CityLink to ensure they could provide safe and profession service required by the SDCOE contract. He informed SDCOE that FACT would resume service once it was determined that CityLink was compliant. There would be further discussion regarding CityLink in the closed session agenda item. He indicated that City of Oceanside staff expected that the contract with FACT would be extended during June 2015 and were proposing a 2-year extension. He said the recommendation was referred by Oceanside staff to the City Council and confirmation was expected in August or September 2015. LaVonna asked when FACT stopped providing service for SDCOE. Meagan indicated that the last trip was April 27, 2015.</p> <p>Meagan discussed FACT assisting the Special Olympics with coordinating transportation for participating athletes that were arriving in San Diego County in July. The games were scheduled to take place July 25-August 2, 2015 in Los Angeles. Approximately 1,000 athletes would be staying in San Diego County and would require transportation to various events and</p>

	<p>training activities. One sponsor contacted FACT directly to coordinate transportation for 300 athletes. There were 8 host towns that were providing accommodations for the athletes. She said so far the coordination had been challenging and there had been a lack of response from charter companies and brokerage vendors. Some of the host towns have secured transportation through their local school districts. Meagan had discussed the transportation with First Student. She said staff would appreciate any assistance with locating transportation solutions. Bob thanked Meagan for her work on the project. He said it was critical that the athletes got to the destination on time. He asked Arun were FACT was going with this. Arun said it may be time to inform the sponsors that this project may not be feasible for FACT. He noted that there was no signed agreement and FACT was only committed to trying to find transportation. He said FACT maybe able to offer backup service for incidentals such as missed or late trips. LaVonna asked for clarification if the issue was related to the sponsor's budgets or lack of service capacity. Arun said it was the lack of service capacity. Bob discussed possibly utilizing vehicles used by the military to transport personnel between MCRD and Camp Pendleton during off hours.</p>
<p>Monthly Financial reports</p> <ul style="list-style-type: none"> • Finance Committee Report • Review of DRAFT 2015-16 Budget 	<p>The monthly Financial Reports and check register were available for Board review. Arun said the Finance Committee - Susan Hafner, John Aguilera, and Phil Monroe, met on May 19th to review the draft 2015-16 Budget. The budget revenue projections were based on FACT's grant commitments and expense projections were based on expenses through March 2015. The committee reviewed revenue tracking and early drawdowns on one particular grant. A follow-up committee meeting with Dennis Randall was needed to review the issue and clarify how it fit into the reporting. He noted that the proposed budget was balanced. Susan said clarification was needed on how the grant allocations and spend down rates were being tracked and reflected in the budget. She said there was some due diligence that needed to be performed before the budget was brought back for approval. Arun clarified that it was not a budget or grant issue, but an issue regarding how FACT drew down on the grants and how this was portrayed in FACT's Budget vs. Actual Statements. Susan recommended deferring the approval of the budget until the details were reviewed by the Finance Committee. She felt it would be better to propose approval of the budget as a total package in June. The Finance Committee agreed. Bob said the Finance Committee would review the budget and Board approval would be deferred to June.</p>
<p>Executive Director's</p>	<p>Arun was invited to speak before the San Diego Foundation's Senior Mobility Planning Committee. The committee asked a lot of questions about FACT's brokerage, size of operations, cost effectiveness of</p>

Report	<p>operations, service area, etc. FACT hired a new Mobility Coordinator, Christian Hernandez to take over for Noah Minner. George discussed some of the San Diego Foundation Board Members and noted that being associated with the foundation was great exposure for FACT. Bob asked how recent CAM attendance had been. Arun indicated that CAM attendance had been growing and there was an average of 22 to 25 participants. He said Incidentally the San Diego Foundation offered FACT use of their meeting rooms/facilities.</p>
Board member comments/proposed agenda items	<p>George indicated that he served on the LOSSAN Rail Corridor Board. He said at some point this may relate to what FACT was doing and FACT should be aware of the larger network of transit agencies and systems.</p> <p>Bob said the Board would move into closed session and thanked guests for attending.</p>
CLOSED SESSION	<p>The Board went into closed session to discuss an update on contract discussions with CityLink and the Executive Director’s performance review.</p>
Adjournment	<p>Bob said the ED Review Committee – Bob, LaVonna and John, as well as Dave, reviewed Arun’s performance and provided a recommendation for the Board. He said the Board was not just recognizing Arun’s performance but staffs’ performance as well. He said the Board decided to defer salary adjustments for staff until after the Budget was approved in June. To recognize Arun for his performance for year 2014-15, the Board approved payment of the balance of the \$10,000 bonus approved last year. The Board thanked Arun and staff for their ongoing dedication and hard work in making FACT a success.</p> <p>Meeting adjourned at 11:50AM.</p>

ITEM # 4

TO: BOARD OF DIRECTORS

**FROM: Arun Prem, Executive Director and Oswaldo Perez,
Grants Management Analyst**

RE: FACT 2016-2021 Business Plan update

ISSUE:

The Business plan update 2016-21 DRAFT will be finalized in June 2015 after receiving input from the Board of Directors.

BACKGROUND

In April 2015, the Board approved a list of all proposed revisions to projects/status in the 2016-21 Plan. The updated DRAFT Plan was distributed during early June. Board members are requested to provide feedback on the DRAFT document.

RECOMMENDATION:

Staff requests the Board for approval of the Business Plan update.

ITEM #5

TO: BOARD OF DIRECTORS

FROM: Arun Prem, Executive Director

RE: August 27, 2015 Board meeting schedule

ISSUE: Staff requests Board members for feedback regarding a recommendation to cancel the August Board of Directors' meeting.

BACKGROUND:

It is customary for many Boards to skip one meeting during the summer due to vacation schedules and in general the difficulty in getting good attendance at meetings. During years 2013 and 14 FACT's Board decided to cancel the regular meeting during August.

At this time staff is not aware of time sensitive items that need to be addressed during August 2015. In the event that a situation arises unexpectedly, the Executive Committee has been entrusted to deal with issues on behalf of the Board.

The next regularly scheduled Board meetings will take place on July 23, and September 24, 2015.

RECOMMENDATION

Staff seeks approval to cancel the August 27, 2015 Board meeting.

ITEM # 6**TO: BOARD OF DIRECTORS****FROM: Arun Prem, Executive Director****RE: Review of proposals for Lease of 12 FACT owned vehicles****ISSUE**

Board update regarding ongoing discussions pertaining to lease of FACT owned vehicles.

BACKGROUND

Currently, all vehicles owned by FACT are leased to providers in the brokerage. The table below shows active (currently under lease agreements) vehicles and “pending” vehicles that are earmarked for FACT based on recently awarded grants:

Status	Grant	Vehicle Type	Quantity	Condition	Lessee/Provider
ACTIVE	5310	Minivan	3	New	AAA Transport
ACTIVE	5310	Minivan	4	New	CityLink
ACTIVE	5310	Minivan	1	New	Renewing Life
ACTIVE	5310	Small Bus	2	Used	CityLink
ACTIVE	5310	Type I Bus	1	Used	Home of Guiding Hands
Pending	NF	Medium Bus	1	Used	TBD
Pending	NF	Minivan	1	New	TBD
Pending	5310	Minivan	7	New	TBD
PROCUREMENT	5310	Minivan	12	New	TBD
		TOTAL	32		

FACT's POLICY ON LEASING

In August 2014, the Board amended the vehicle lease policy to make it possible to prioritize FACT objectives in the selection of vendors for lease of vehicles. However the policy directed FACT to lease vehicles to brokerage vendors.

At the time the policy was adopted the availability of vehicles was not expected to exceed the capacity of the brokerage.

DEMAND FOR LEASED VEHICLES

The 5-seat accessible minivans are the most popular vehicle for paratransit services and there have been requests from several vendors for these vehicles. The vehicles are also suited for ADA paratransit trips due to the limited seating, smooth rider experience, and lower cost of operations.

FACT staff recommends leasing these vehicles to brokerage vendors who are involved in the LIFT service and other contracted services, and who have also shown interest in participating in other potential ADA paratransit trips.

It is anticipated that some of these vehicles will be recommended as replacements for FACT owned vehicles currently leased to vendors.

FACT recently leased 11 vehicles to brokerage vendors. The majority of brokerage vendors are small operators and do not have capacity for expanding the fleets further.

Due to the timing of this round of procurement for 12 vehicles staff anticipates that FACT will need to consider agencies that are currently not in FACT's brokerage.

During the April Board meeting the Board authorized staff to proceed with preparing the notice of availability of the vehicles. The Board planned to continue the discussion on the specifics of the lease arrangements for the vehicles that may be offered to transportation providers who may not be a good fit for the RideFACT brokerage.

During May 2015 Board members recommended that staff discuss the availability of vehicles with NCTD and MTS. The discussions lead to tentative interest from NCTD and First Transit in leasing several vehicles. First Transit staff is expected to respond with proposed lease terms over the next few days. NCTD responded with a proposal to lease vehicles using the same arrangement that was used in the prior lease agreements.

The notification for solicitation interest in the vehicles was put on hold pending this discussion.

RECOMMENDATION

Staff seeks feedback from the Board regarding the tentative lease discussions.

ITEM # 8

TO: BOARD OF DIRECTORS

FROM: Arun Prem, Exec Director & Meagan Schmidt, Service Development Manager

RE: FACT Services update

ISSUE:

This item presents a monthly RideFACT and contracted services update.

BACKGROUND:

	Apr-15
SERVICE	ONE-WAY TRIPS
First Transit	93
Poway	438
Oceanside	495
SDCOE	167
Elderheip	90
TOTAL	1,283

City of Oceanside Senior Van Service:

This service is available to Oceanside residents for trips within the city, neighboring cities and some medical destinations. Approximately 1,800 clients are pre registered to use this service.

From September 2013 - April 2015, FACT has invoiced City of Oceanside for 6,227 trips.

The feedback from the City of Oceanside staff has been positive. The contract was renewed from July 1, 2014 - June 30, 2015 with a revised rate structure and a provision for payments for No-shows. The contract extension was approved by the Oceanside City Council in August 2014. The contract amount is \$73,500. FACT staff met with Oceanside staff in early June to discuss a 2 -year contract extension through 2017.

SDCOE Foster Youth transportation contract

The San Diego County Office of Education (SDCOE) contracted with FACT to provide transportation for eligible foster youth in December 2013. Service was implemented in February 2014.

The SDCOE received a grant that funds efforts to enable foster youth to continue to attend the “home” school after they are relocated to foster homes. The agreement between SDCOE and FACT involves getting drivers qualified for the special requirements and proving trips from home to school and back.

The value of the initial contract was \$150,000 for a term ending in September 30, 2014. SDCOE and FACT staff met in July to review the extension of the contract through December 31, 2014.

The current contract is from October 1, 2014 – July 30, 2015 with up to four one-year options to renew. FACT submitted a proposal including the terms of the amendment on September 17th. On October 7th FACT received a letter naming it as one of the vendors awarded the contract for Foster Youth transportation. There are 2 other vendors who have also been awarded this contract.

From February 2014 - April 2015, FACT has invoiced SDCOE. FACT is working with brokerage vendors to resume service under this contract after the contracts with Citylink were terminated.

Poway Adult Day Health Care Transportation Service Contract

FACT has provided transportation for Poway Adult Day Healthcare Center clients since January 2013. The clients are all seniors who are unable to use other modes of public transportation due to varying degrees of physical and/or cognitive disabilities. The agreement involved transportation of clients from their homes to the Center in the morning and back home during the afternoon. Due to the large group of clients, FACT was able to work with a provider to group riders on a few buses in a cost effective manner.

Poway ADHCC owns and operates several grant-funded vehicles for their remaining clients. The Center has added many new clients to the FACT service due to the relatively low cost of transportation compared to their own service.

This contract generated approx. \$60,000.00 net revenue for FACT during the first completed year of service (calendar 2013). Safety First is the current provider for these trips. A total of 10,557 trips have been provided from January 2013 - April 2015.

Elderhelp Program

Contracted service for Elderhelp clients began on March 12th. The Board approved the extension of the Elderhelp contract on March 26th. 126 total trips were provided between March and April. The trip volume has grown in May and June to more than 20 one-way trips per week.

RideFACT Service statistics ytd for fiscal year July 2012 - April 2015

RideFACT + Contracted	RideFACT One way trip requests	Referrals-external	Referrals to RideFACT	RideFACT + Contracted	RideFACT Av. trip cost	RideFACT Av trip
FISCAL YEAR 2012-13						
SubTotal	14541	2242	12289	6623		
Contracted				1051		
FISCAL YEAR 2013-14						
Jul-13	2,067	194	1,873	860	\$16.74	12.2
Aug	2,308	162	2,146	1,062	\$16.95	12.7
Sep	2,608	115	2,493	1,020	\$20.43	12.1
Oct	2,655	165	2,490	1,097	\$21.06	12
Nov	2,582	170	2,412	968	\$21.39	12.2
Dec	2,389	115	2,274	959	\$20.77	12.1
Jan-14	2,690	174	2,516	995	\$16.31*	11.7
Feb	2,570	140	2,430	944	\$19.45	11.7
Mar	2,725	120	2,605	996	\$19.52	12.2
Apr	2,711	151	2,560	956	\$18.97	12.1
May	2,970	154	2,816	1,057	\$19.53	11.7
June	3,009	214	2,795	1,008	\$19.68	11.5
Subtotal	31,284	1874	29,410	11,922		
Contracted				9,361		

FISCAL YEAR 2014-15						
July	2,763	172	2,591	891	\$19.13	11.9
Aug	2,700	140	2,560	870	\$18.15	12.1
Sep	2,768	123	2,645	857	\$18.75	12.1
Oct	2,976	118	2,858	1,038	\$19.63	11.9
Nov	2,702	89	2,613	794	\$20.36	12.3
Dec	2,549	102	2,447	905	\$20.96	13.2
15-Jan	2,694	128	2,566	882	\$17.99	12.2
Feb	2,558	113	2,445	819	\$16.19	11.7
Mar	2,879	156	2,723	917	\$15.63	11.7
Apr	2,733	146	2,587	865	\$14.78	11.4
SubTotal	27,322	1287	26,035	8,838		
Contracted				11,642		
TOTAL	73,147	5403	67,734	49,437		

***NOTES**

As of January 2014 we are reporting the average per trip cost based only on trips that were purchased from the Brokerage at regular Brokerage rates; those trips comprise the majority of RideFACT trips. July '13 onwards numbers were updated to reflect the new process.

RECOMMENDATION:

Staff seeks the Board's feedback regarding the information presented in this item.

ITEM # 9

TO: BOARD OF DIRECTORS

FROM: Board Finance Committee - Chair Susan Hafner, Phil Monroe, Hon. John Aguilera, and Arun Prem, Executive Director

RE: Finance Committee Report - Review of DRAFT FY 2015-16 Budget

ISSUE:

The Fiscal Year 2015-16 begins July 1, 2015. During the May Board meeting the Board decided to defer action on the Budget Item until the committee had had an opportunity to review the Budget vs. Actual Revenues in more detail.

The Finance Committee reviewed the DRAFT 2015-16 Budget during meetings held in May and June 2015, as well as during several email discussions during that time, and provided input, which was incorporated in this revised DRAFT Budget.

The Finance Committee includes Susan Hafner, Treasurer, Phil Monroe, and Hon. John Aguilera.

David Randall attended the most recent Finance Committee meeting.

The proposed budget (attached) is balanced, and identifies all revenues and expenses for FY 15 -16. Total budgeted expenses and revenues equal \$1,493,491.00 an 8.3% increase over year 2014-15 budget amount.

Board approval is needed in order to implement the Budget for the FY 2015-16 fiscal year.

BACKGROUND:

Rationale for DRAFT Proposal:

Updated expenses for current fiscal year through March 2015 and projections through June 2015 were used to project next year's expenses. The baseline expense projections were updated and incorporated in the proposed DRAFT Budget where applicable.

The largest expense items were RideFACT transportation - \$380,000.00 and Contracted services - \$261,000.00. Most contracted services were implemented recently therefore the projections are based on limited data. The number of trips provided under contract is stable in case of Oceanside and Poway contracts; the First Transit contract and the SDCOE contracts do not specify minimum service levels and the actual demand tends to be volatile.

Software and a new accounting staff position are additional large value line items that will be discussed in the Committee report (below).

The expense categories from the prior year's budget were maintained in this proposal except for a few changes recommended by the Finance Committee which are detailed in the Committee Report below.

Spending during the current year FY 2014-15 is estimated to be under budget by \$202,228 (-14.67%).

Finance Committee Review:

The DRAFT Budget was reviewed with Finance Committee members - Board members Susan Hafner (Chair), Phil Monroe, and Hon John Aguilera.

The Committee met on May 19, 2015 and reviewed the DRAFT budget in detail. There were several amendments as a result of feedback from the committee as well as requests for additional information on the monthly tracking of revenues. The original DRAFT was updated to reflect the edits. The committee discussed the March 2015 Budget vs. Actual statement, which showed that revenue generation from some sources, including contracted services was below projections. At the same time the drawdown against the New Freedom (NF) 2014 grant was higher than the budgeted amount; through the end of March 2015 there was a Fiscal year to date deficit of \$95,587.94 on the First Transit revenue projections. There was a positive variance of \$62,974.37 on the draw down against the NF 2014 grant. The Committee held several discussions via email in order to review the impacts of spending the NF 2014 funds sooner than planned, the cause of the additional drawdowns, and the cause for the deficit in contracted service revenues.

The Finance Committee met again on June 4, 2015 and reviewed the revised budget DRAFT as well as the details of the year to date revenue statistics. Dennis Randall joined the Finance committee meeting via phone.

The Committee discussed the revenue shortfall in contracted services revenues. Primarily the shortfall was the result of the number of trips requested under the First Transit contract being significantly less than the budget projections. The revenue shortfall from the First Transit contract resulted in more funds being drawn down from the New Freedom grant than had been budgeted. The Committee reviewed the New Freedom grant application to compare the proposed timelines as well as to identify the eligible expenses under the grant; the review of the grant application confirmed that the New Freedom funds in the grant were approved for Mobility Management expenses. It also confirmed that drawing down on the New Freedom grant early did not have any adverse impacts on grant compliance. The Committee looked at Mobility Management funding for out years. According to the 5-year revenue and expense projections FACT's Mobility Management expenses are fully funded for the next 2 fiscal years (FY 16 and 17). Dennis Randall also reported that FACT's Total Equity at the end of March '15 was \$453,794.68 and it could be used to offset revenue shortfalls.

The committee recommended including the Balance Sheet in the monthly Board Meeting materials in order to keep the Board apprised of the Total Equity status.

There was also a recommendation to identify alternate funding sources in case FACT experienced contracted service revenue shortfalls again during FY 15-16.

The gross revenue projections from the First Transit contract were reduced by 14.61% from \$380,000 in FY 2014-15 to \$263,000.00 in FY 2015-16 in view of the lower than expected trip volume.

The main drivers of expenses are the number of trips being provided by RideFACT and contracted services. The proposed budget adds a staff position and recommends higher spending on software in order to support the growth in services.

The revenue sources were identified and anticipated revenues from approved grants were included. Gross revenues and expenses from contracted services were included in the budget.

The Finance Committee meeting - summary of Budget discussion:

- Detailed review of salaries, proposed adjustments, pay rates and benefits
- Approval of recommendation for additional staff position and minor adjustment in proposed expenses to account for some benefits
- Moving Accountant position from "Operations Direct" to "Salaries and Benefits" section
- Move Community Outreach from "Contracted Consultant Services" to "Operations Direct" section.
- Detailed review of monthly revenue updates in Budget vs. Expenses financial reports
- Review of drawdowns against New Freedom grant
- Review of New Freedom Mobility Management grant application in order to understand eligible expenses and other grant compliance parameters
- Discussion on revenue estimates from contracted services
- Add notes to Budget for explanations of issues reviewed by Finance Committee

Other Issues discussed by Finance Committee:

- Review of trip data and invoice audits, potential for fraud
- Review of some vehicle lease terms
- Review of productivity ratios and projects in the Mobility Management grants and updates on implementation and status
- Review SANDAG policy on reserve funds
- Discuss options for investing unrestricted funds and adopt an investment policy at future Board meeting
- Reasons for 2 month lag in monthly financial reports
- Proposed discussion with SANDAG re. Restricted and Unrestricted funds (Total Equity)

Proposed edits were updated in the revised version of the DRAFT (enclosed). The discussion regarding the tracking of revenues is ongoing.

Review of FY 2014-15 Budget performance:

During FY 2014-15 spending is projected at \$1,221,197, which is 14.7% below the budgeted amount - \$1,363,900 (based on projections for the months of April-June 2015). June 2015 year-end budget versus expense statements will be available during the August 2015 meeting.

REVIEW OF MAJOR FY2015-16 EXPENSES AND VARIANCES COMPARED TO PRIOR YEAR'S BUDGET:

The proposed budget totals \$1,493,491.00. It represents an increase of 8.3% over the previous year's budget. The growth in the budgeted expenses is primarily attributable to growth in transportation, leading to a corresponding growth in staffing and related expenditures in benefits etc., as well as software for optimizing and managing transportation services. During FY 2014-15 FACT provided approx. 24,442 one-way trips (Mar-Jun numbers are projections) including RideFACT and contracted service trips. During FY 2015-16 a total of 39,751 trips (RideFACT plus contracted services plus 5310 vehicles) are projected as per the Business Plan.

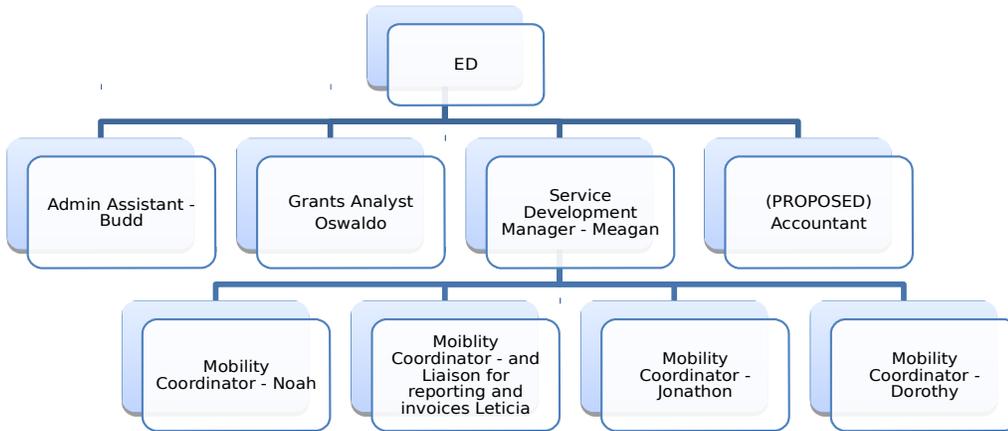
A SALARIES and BENEFITS:

The total proposed expense is \$578,157.89, an increase of \$81,199.00 or 16.3% over the FY14-15 budget. One Full Time Accounting staff position is proposed in order to manage the invoicing and auditing workload created by contracted services. The increase in projected expenses also factors in benefits and performance based salary adjustments.

Under Performance Adjustment pool/OT expenses, \$5,500 is proposed for unanticipated overtime hours as well as any staff salary adjustments during the year. This amount is the same as in the prior year.

The proposed expense for health benefits is \$20,000 a 33.34% increase from \$15,000.00 budgeted last year. The increase is due to under budgeting in last year's health benefits and additional expenses for the next fiscal year.

FACT staff organization:



B OPERATIONS DIRECT:

This section includes consultant services as well as purchased transportation services. Proposed expenses are \$658,183, a 7.3% decrease over the prior year. The decrease is due to projected reduction in accounting consultant expenses due to additional staffing.

Accounting and Financial Reporting - this line item was removed in anticipation of a change in the organization structure which would eliminate or limit this expense.

Safety Inspections/compliance - A comprehensive vehicle audit for safety compliance was completed over a year ago. \$2,500 is proposed for 2014-15 - a 68% decrease over the prior year. Some of the safety oversight is now handled by staff.

Mobility/Rural Services Planning - The expense was eliminated; it is expected that staff will conduct this function in the near future.

Community Outreach - \$7,000 is budgeted for information materials pertaining to RideFACT and other services - a 44% reduction compared to last year’s budget.

Training Workshops - For FY 2016, \$2,400.00 is budgeted, down from \$10,500.00, due to lack of demand for workshops. FACT has had discussions with CalACT staff regarding some training workshops that will be funded by CalACT using Caltrans grants.

Contracted Transportation During FY 2015-16 FACT plans to spend \$380,000 on RideFACT transportation, a 5.6% increase. Contracted services expenses are projected at \$263,000.00, a 14.61% decrease.

Most contracted services were implemented recently therefore the projections are based on limited data. The number of trips provided under contract is stable in case of Oceanside and Poway contracts; the First Transit

contract and the SDCOE contracts do not specify minimum service levels and the actual demand tends to be volatile.

C OPERATIONS INDIRECT

Brokerage System Software Based on the procurement efforts in the current fiscal year, it appears that the appropriate budget amount for a software package meeting the needs of FACT's brokerage would approximate an upfront expense of \$100,000.00. We are negotiating with 211 to include the amended amount in the scope of work of the Veterans mobility (FTA - VTCLI) grant MOU. The budgeted amount is 122% higher than the prior year budget.

Office Computer Support was budget at \$5,000.00, same as the year before.

Conference/Travel budget was proposed at \$12,000.00 a 3.4% increase over prior year budget due to inflation in travel related expenses and increase in staff eligible for travel.

D OPERATIONS OVERHEADS - major expenses and variations:

Insurance The insurance budget was increased from \$5,500.00 to 10,000 in anticipation of increase in premium to cover additional FACT owned vehicles before they are leased.

Telecommunications expenses were expected to increase 33.34% due to additional staff and growth in services. The FY 16 budget is \$ 12,000.

Legal services were budgeted at \$10,000.00 that is 150% more than the prior year due to some ongoing contracts review and anticipated needs.

REVIEW of FY 2015-16 REVENUES:

The total revenue is \$1,493,491.00. It comprises \$674,032.00 in **Mobility Management** (revenues available for administration, salaries, overheads) revenues from a combination of Federal New Freedom and Veterans (VTCLI) grants, Caltrans New Freedom, County Senior Mini Grants and State TDA 4.5 funds.

Operating Grants (revenues available for purchasing transportation) funded by Federal New Freedom and County Senior Mini Grants - \$380,000.00.

Contracted Services are expected to generate an estimated \$407,459.00 in gross revenues, 17.8% less than the FY 14-15 budget.

The FY 2015-16 revenues will be derived from the following sources:

Federal (Federal Transit Administration, an agency within USDOT) New Freedom grants. These grants are administered by SANDAG. New Freedom grants fund administration/mobility management expenses and are used to match County SMG grants. NF grants are awarded through a competitive process.

County Senior Mini Grant (SMG) is the main source of revenue for RideFACT trips. This funding may be used for administration and mobility management when specified. FACT also uses SMG funds as match against NF grants. SMG grants are awarded through a competitive process.

STATE

Transportation Development Act (TDA) Article 4.5 funds for Consolidated Transportation Services Agency (CTSA) contract. These funds are assigned to FACT based on a formula (2% of Senior Transportation funds awarded to County) and vary annually based on sales tax receipts. TDA funds are flexible in nature compared to other revenues. They can be used as match or for administrative/mobility management expenses. Surplus TDA funds contribute towards reserve funds.

Caltrans Grants

FACT was approved for \$160,000 for rural services planning for FY 2015-16. A portion of the amount was included in the budget.

Total Equity/Restricted and “Unrestricted” fund balances

This revenue is derived from unspent CTSA funds received under the SANDAG contract as well as net revenue from contracted services. In recent years this category was augmented by sales of some retired vehicles and use of FACT owned vehicles in operations. Unrestricted funds were not factored in revenue projections at this time, but represent a reserve in case the projected funding was jeopardized or was insufficient. The balance in this fund was \$453,795.00 at the end of March 2015.

Contracted Services Revenues

Contracted services (Poway, First Transit, SDCOE and Oceanside Senior Shuttle and ElderHelp contracts) are fee for service contracts that generate net revenue for FACT. Contracted services are a relatively recent addition to the revenue mix – some of these services tend to be volatile in terms of volume of service which directly impacts revenue projections. Conservative estimates were used in projecting revenues from these services; in case of shortfall in revenue from contracted services, additional Mobility Management grant funds would be used to make up the difference. FACT has sufficient Mobility Management grant commitments to sustain Mobility Management activities at the levels budgeted for FY 2015-16, though the end of FY 2016-17.

RECOMMENDATION:

Staff requests the Board to review the recommendations of the Finance Committee regarding FY 2015-16 Budget and take necessary action.

ITEM # 10

TO: Board of Directors

FROM: Arun Prem, Executive Director

RE: Executive Director's Report

Meetings and Events 5/28/15 - 6/24/2015

- 6/1 Oswaldo attended County Budget Hearing (CE grants)
- 6/2 Mtg. with Jim Byrne, MTS
- 6/3 Staff met with AAA Transport and First Transit
- 6/3 Mtg. with Panya Chhuey, First Transit**
- 6/4 Oswaldo attended VTCLI Bidders Conference
- 6/4 Brokerage provider Mtg.
- 6/4 Board Finance Committee Mtg. (Susan Hafner, Phil Monroe, Hon John Aguilera)**
- 6/4 Mtg. with Mike Wygant, NCTD**
- 6/9 CAM mtg.**
- 6/9 Veterans Mobility Forum
- 6/9 Oswaldo and Meagan participated in One Call One Click Project Team Mtg.
- 6/11 Agenda Planning with Dave Roberts, Mel Millstein and Bob Campbell**
- 6/12 Mtg. with Brian Selwyn, NCTD
- 6/16 Discussion with Danna Kotman re. Legal Services expenses**
- 6/19 Mtg. with Panya Chhuey, GM, First Transit re service standards
- 6/22 Mtg. with Paul Hillery (HHSA), Jim Byrne (MTS), and Todd Lordson (MTS)**

Upcoming Meetings and Events:

- 7/23 FACT Board Meeting
- 8/11 CAM Meeting