

AGENDA ITEM 1 F  
Consent Item

**MEMORANDUM**

**DATE:** September 7, 2023

**TO:** El Dorado County Transit Authority

**FROM:** Julie Petersen, Finance Manager

**SUBJECT:** Approve Funding of Operating Reserve Fund for Fiscal Year 2022/23

**REQUESTED ACTION:**

**BY MOTION,**

**Approve Funding of Operating Reserve Fund utilizing Bike Locker,  
Advertising and Miscellaneous revenue accounts for Fiscal Year  
2022/23**

**BACKGROUND**

On August 4, 2011, the El Dorado County Transit Authority (El Dorado Transit) adopted Resolution No. 11-26 establishing an Operating Reserve Policy and Resolution No. 11-27 establishing a designated target funding level of \$1,500,000 for the operating reserve account.

On April 5, 2018, the Board adopted Resolution No. 18-16 reducing the target level of funding to \$1,000,000.00 using a blended method of \$500,000 held by the El Dorado County Transportation Commission (EDCTC) and the balance held by El Dorado Transit. EDCTC increased their funds held to \$750,000 in FY 2021/22.

On April 6, 2023, the Board adopted Resolution No. 23-13 setting a new target of \$250,000 held by El Dorado Transit. This action was taken in conjunction with the El Dorado County Transportation Commission (EDCTC) Board action to increase the total contingency held by both agencies, to a combined amount of \$2,250,000. As of the start of Fiscal Year (FY) 2023/24, EDCTC holds \$2,000,000 and El Dorado Transit holds \$224,691.73.

The intent of this fund is to create a stable funding source available to offset unexpected revenue shortfalls or increased expenses. El Dorado Transit, as a Joint Powers Agency (JPA) between the County of El Dorado and the City of Placerville does not have access to funds from jurisdictional General Funds or other municipal departments.

**DISCUSSION**

During the Mid-Year Budget process presented each February, revenue and expenses are analyzed to determine the financial condition of the agency based on the first six (6) month's experience and projections are adjusted for the remainder of the year if necessary. If approved,

non-operating or miscellaneous income budget line items are zeroed to make certain these funds are not needed to balance the operating budget.

Staff is recommending Board approval to designate revenue accounts; 4370.00-Bike Locker Rental, 4400.00-Advertising Income, and 4990.00-Misc. Revenue as sources of non-tax revenue to be used to fund the operating reserve.

### **FISCAL IMPACT**

Receipts for the miscellaneous revenues total \$15,954 (unaudited) for FY 2022/23. If approved this amount will be transferred into the operating reserve interest bearing account. Final transfer will occur following the Financial and Compliance Audit presented at the December Board meeting.