

AGENDA ITEM 1 G  
Consent Item

**MEMORANDUM**

**DATE:** February 2, 2017  
**TO:** El Dorado County Transit Authority  
**FROM:** Julie Petersen, Fiscal Administration Manager  
**SUBJECT:** Funding Recommendation for Operating Reserve Fund

**REQUESTED ACTION:**

**BY MOTION,**

**Approve funding Operating Reserve utilizing Advertising and  
Miscellaneous revenue accounts for Fiscal Year 2016/17**

**BACKGROUND**

On August 4, 2011 the El Dorado County Transit Authority (El Dorado Transit) adopted resolution 11-26 establishing a Board-Designated Operating Reserve Policy and resolution 11-27 establishing a designated target level for funding the operating reserve fund.

The intent of this fund is to create a transparent, 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 “loans” from jurisdictional General Funds or other agency departments.

**DISCUSSION**

During each Mid-Year Budget Adjustment process, revenue and expenses are analyzed to determine the financial “health” of the agency based on the first six (6) month actual, and projections for the final six (6) months of operations.

At this time a recommendation for funding the operating reserve is made to include account numbers 4370.00-Bike Locker Rental, 4400.00-Advertising Income and 4990.00-Misc. Revenue as sources of non-tax operating revenue funds.

**FISCAL IMPACT**

Actual receipts for these accounts to-date total \$9,279.52. Final closing amounts will be transferred into the operating reserve interest bearing account.

	<u>Approved Budget</u>	<u>Proposed Budget Adjustment</u>
4400.00 – Advertising Revenue	\$20,000.00	\$ 0
4990.00 – Misc. Revenue	\$400.00	\$ 0

Final Budget Adjustments will be made at year-end to capture this recommendation. Actual amounts will be presented after final year-end closing.