

AGENDA ITEM 1 H
Consent Item

MEMORANDUM

DATE: August 2, 2018

TO: El Dorado County Transit Authority

FROM: Julie Petersen, Finance Manager

SUBJECT: Funding of Operating Reserve Fund for Fiscal Year 2017/18

REQUESTED ACTION:

BY MOTION,

**Approve funding Operating Reserve utilizing Bike Locker,
Advertising and Miscellaneous revenue accounts for fiscal year
2017/18**

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 No. 11-27 establishing a designated target level for funding the operating reserve fund. Resolution No. 11-27 target fund level was \$1,500,000.

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.

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.

Staff is recommending Board approval to designate 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

Actual receipts for these accounts total \$16,261.65 which will be transferred into the operating reserve interest bearing account.