

AGENDA ITEM 1 E
Consent Item

MEMORANDUM

DATE: February 7, 2019
TO: El Dorado County Transit Authority
FROM: Julie Petersen, Finance 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 2018/19**

BACKGROUND

On August 4, 2011 the El Dorado County Transit Authority (El Dorado Transit) adopted Resolution No. 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.

On April 5, 2018 the Board adopted Resolution No. 18-16 establishing a revised target amount for total reserve funds of \$1,000,000. This goal includes \$500,000 of reserve funds held by the El Dorado County Transportation Commission and the current amount held by El Dorado Transit of \$148,455.12.

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 \$7,627.30. 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	\$12,000.00	\$ 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.