

AGENDA ITEM 11  
Consent Item

**MEMORANDUM**

**DATE:** February 3, 2022  
**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 2021/22.**

**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. The current amount held by El Dorado Transit is \$168,677.53.

The intent of this fund is to create a transparent, stable funding source available to offset unexpected revenue shortfalls or increased expenses. As a Joint Powers Agency (JPA) between the County of El Dorado and the City of Placerville, El Dorado Transit does not receive funding from either jurisdiction's General Funds or other 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 actuals, and projections for the final six (6) months of operations.

With the requested action, staff recommends allocating revenue from account numbers 4370.00-Bike Locker Rental, 4400.00-Advertising Income, and 4990.00-Misc. Revenue to the reserve as sources of non-tax operating funds.

**FISCAL IMPACT**

Actual receipts for these accounts to-date total \$15,163.35. 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 | \$8,000.00             | \$ 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.