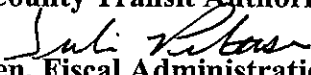


AGENDA ITEM 5 D  
Consent Item

**MEMORANDUM**

**DATE:** May 7, 2009

**TO:** El Dorado County Transit Authority

**FROM:** Julie Petersen, Fiscal Administration Manager 

**SUBJECT:** Adoption of Internal Fare Revenue Deviation verification standards

**REQUESTED ACTION:**  
**BY MOTION,**

**Adopt a five percent (5%) systemwide Fare Revenue Deviation standard for all routes**

**BACKGROUND**

The El Dorado County Transit Authority (El Dorado Transit) has provided transportation services as the public transit operator for the Western Slope of El Dorado County since 1975. Established as a Joint Powers Agency with the County of El Dorado and the City of Placerville, El Dorado Transit provided 411,752 trips during fiscal year 2007/08. Transportation is provided to the community in the form of local fixed routes; curb-to-curb Dial-A-Ride; Sac-Med non-emergency medical transportation; complementary paratransit in Placerville; commuter routes from Placerville to downtown Sacramento; commuter routes to Sacramento Light Rail in Folsom and contracted transportation for social service agencies.

This item is intended to provide a framework for establishing an internal Fare Revenue Deviation process for El Dorado Transit as a result of a recommendation from the FY 2004-2006 Triennial Performance Audit of El Dorado County Transit Authority, adopted on July 9, 2007.

*"A fare revenue deviation policy would include establishing a range (e.g. 5 percent) of acceptable variance between projected and actual revenues, which are based on ridership data. A discrepancy outside the range of acceptable deviation could trigger an investigation. While no issues with fare revenue counting have been raised, the policy provides an internal audit measure that could be applied by service type and route, while formalizing the existing cash fare handling process."*

## **DISCUSSION**

The recommendation is to develop a process to verify that cash collected in fareboxes is correctly handled to ensure that there is no embezzlement, fraud or fare evasion. El Dorado Transit does not use electronic fareboxes therefore; the auditor recommended a fare deviation policy.

Neither the auditing firm nor transit staff were able to locate any similar policies, therefore; it was necessary to establish a base year of data collection and an auditable data collection methodology.

El Dorado Transit staff established a method for data collection; data calculations and internal reporting to codify a process for establishing an acceptable fare deviation level. The suggested 5 percent (5%) variance is an acceptable deviation on all routes operated. Beyond this variation, an internal audit will be performed and submitted to the Executive Director for review and further action if warranted.

Although the recommendation is to develop a policy, staff is recommending a standard that is an internal administrative policy, not board policy. The Executive Director would be responsible for audit findings and reporting or taking action with any alleged fraud, embezzlement or fare evasion.

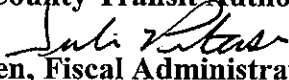
Formalization of internal processes will be completed during fiscal year 2009/10. A summary of findings will be presented on the bi-annual Administrative Operations Report.

## **FISCAL IMPACT**

None

AGENDA ITEM 5 E  
Consent Item

**MEMORANDUM**

**DATE:** May 7, 2009  
**TO:** El Dorado County Transit Authority  
**FROM:**   
Julie Petersen, Fiscal Administration Manager  
**SUBJECT:** Quarterly Investment Report

**REQUESTED ACTION:**  
**BY MOTION,**

**Receive and file Quarterly Investment Report for Quarter  
Ending 03/31/2009**

**BACKGROUND**

The El Dorado County Transit Authority (El Dorado Transit) adopted an investment policy on November 7, 1999 allowing investments in the State of California Local Agency Investment Fund (LAIF) and a money market account.

El Dorado Transit investment policy requires quarterly investment reports to the Board of Directors.

**DISCUSSION**

Interest earnings for the third quarter of fiscal year 2008/09 equal \$18,234.50. Total interest earned for fiscal year 2008/09 equals \$67,517.87; this reflects an amount of \$14,982.13 below budget projections. Investment report for quarter ending 03/31/09 is submitted for review and acceptance.

**FISCAL IMPACT**

None

EL DORADO COUNTY TRANSIT AUTHORITY

QUARTERLY INVESTMENT REPORT

PERIOD 01/01/2009 – 03/31/2009

LOCAL AGENCY INVESTMENT FUND (L A I F)

Account Summary

12/31/2008	Balance Forward	\$ 3,522,494.54
	Total Transfers to General Checking Account	\$ -000,000.00
	Total Transfers from General Checking Account	\$ 000,000.00
	Interest Earned @ 1.91%	\$ <u>16,554.79</u>
03/31/2009	Ending Balance 1st Qtr, 2009	\$ 3,539,049.33

UMPQUA BANK (Money Market Account)

Account Summary

12/31/2008	Balance Forward	\$ 263,533.80
	Total Transfers to General Checking Account	\$ -540,000.00
	Total Transfer from General Checking Account	\$ 600,000.00
	Interest Earned @ 2.05%	\$ <u>1,679.71</u>
03/31/2009	Ending Balance 1st Qtr, 2009	\$ 325,213.51