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Jefferson Transit Authority
Resolution No. 21-06

A RESOLUTION of the Board of Directors of the Jefferson County Public Transportation Benefit Area, hereinafter called the "Authority," for the Purpose of Adopting an Amended Policy to add Information Technology Reserve Funds

WHEREAS, the Authority is responsible for setting Financial Policy for Jefferson Transit Authority; and,

WHEREAS, Jefferson Transit Authority wishes to amend the current Policy for Reserve Funds adding an Information Technology Reserve Fund,

NOW, THEREFORE, BE IT RESOLVED;

Section 1

The Authority does hereby adopt the amended "Policy for Reserve Funds" dated April 20, 2021 as set forth in the Policy, which is attached to this Resolution, and made a part thereof by this reference.

Section 2


The Authority hereby authorizes the General Manager to execute the amended Policy for Reserve Funds as referenced in Section 1 and to carry out and fulfill the conditions and provisions as contained therein to the best interest and benefit of Jefferson Transit Authority.

Section 3

This policy is effective immediately

CERTIFICATION

The undersigned duly qualified Clerk of the Board, acting on behalf of the Jefferson County Public Transportation Benefit Area, certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Jefferson Transit Authority Board held on April 20, 2021.



Chair



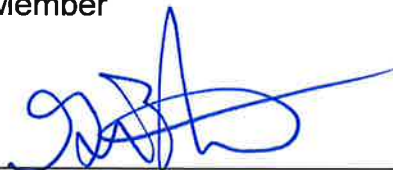
Vice Chair



Member



Member



Member

Attest:



Clerk of the Board

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|--|---|
| Title: Policy for Reserve Funds | Resolution: 21-06 |
| Author: Dan DiGuilio, Interim General Manager-Original Sara Crouch, Finance Manager - Amended | Effective Date: April 19, 2011 Resolution 11-12 December 20, 2011 June 16, 2014 April 18, 2017 February 20, 2018 December 17, 2019 April 20, 2021 |



Jefferson Transit Authority

Policy for Reserve Funds

Effective April 19, 2011
Amended December 20, 2011
Amended June 16, 2014
Amended April 18, 2017
Amended February 20, 2018
Amended December 17, 2019
Amended April 20, 2021

Section 1 – Operating Reserve Fund

In order to provide a consistent level of service over a multi-year period, an Operating Reserve Fund has been established to set aside monies (within the General Fund investment accounts) to enable Jefferson transit to have funds on hand to cover fluctuations in operating revenue or unexpected increases in operating costs. In order to provide sufficient funding to cover variations in sales tax revenue over at least five years, the funding level should be 25% of the year's operating expense budget (including depreciation funding for capital replacement). The Operating Reserve will be funded at year-end if revenue exceeds the System's expenses, provided needed contributions to other reserve funds have been made and the Operating Fund Balance is adequate. Operating Fund Balance should be at least one month's operating expense (excluding depreciation). The Board shall review and approve the use of Operating Reserve Funds as part of the budgeting process or during the year in case of unexpected increases in operating expenses or decreases in operating revenue. The Finance Manager will periodically report the status of the Operating Reserve Fund. This policy will be reviewed annually, when the budget is presented to the board, to ensure that a sufficient fund balance and operating reserve is maintained for current economic conditions.

Section 2 – Capital Reserve Fund

The Capital Fund is established to set aside monies (within the General Fund investment accounts) to provide for the funding, whether in whole or as the match for a grant, of projects and items exceeding \$5000 in cost not covered by other funds. Examples of project are passenger carrying vehicles, service pieces of equipment, computers, software, and peripheral upgrades and purchases as well as completion of major planning projects or the design and installation of major systems such as the radio communication network. The goal is to provide a level of annual funding sufficient to cover JTA's funding match for those Transit Development Plan (TDP) projects that are grant funded and to provide funding to cover the anticipated projects fully funded by JTA in the TDP planning period. The minimum level of annual funding in the account is \$100,000.00 (One hundred thousand dollars). The maximum level of funding is the minimum level plus the total funding required for the six-year TDP planning period.

Section 3 – Unemployment Compensation Reserve Fund

The Unemployment Compensation Reserve Fund is established to set aside monies to pay the Department of Employment Services (DES) for future unemployment claims. This reserve fund is set up in accordance with RCW 50.44.060. The initial fund set-up will be calculated based on the DES Tax Rate Calculator tool rate times the total taxable wages. The DES Tax Rate Calculator tool will be utilized annually to determine if the Unemployment Compensation Reserve Fund balance needs to be adjusted.

The law requires that payments to DES must be made from the Unemployment Compensation Reserve Funds. The Finance Manager will review the quarterly invoice and transfer funds from the Unemployment Compensation Reserve Fund to the operating fund to pay the quarterly invoice. Quarterly cash contributions will be made to the Unemployment Compensation Reserve Fund to restore the original funding balance from operating funds that

will be charged to the functional expense accounts (departments) that are responsible for the charges.

Section 4 – Revenue Vehicle Reserve Fund

The Revenue Vehicle Reserve Fund is established to set aside monies (within the General Fund investment accounts) to fund, in whole, the purchase of revenue vehicles. The goal is to provide a level of annual funding sufficient to cover the purchase of one full size bus every four years, or to fund the purchase of vanpool vans and demand response vehicles as necessary. The maximum level of annual funding in the account is \$125,000.00 (One hundred twenty-five thousand dollars). The Revenue Vehicle Reserve Fund will be funded at year-end if revenue exceeds the System's expenses, and provided needed contributions to other reserve funds have been made and the Operating Reserve Fund Balance is adequate.

Section 5 – Information Technology Reserve Fund

The Information Technology Reserve Fund is established to set aside monies (within the General Fund investment accounts) to fund, in whole or in part if grant funding is available, the purchase of information technology. To ensure that information technology resources are up-to date the primary goal is to provide a level of funding sufficient to cover the replacement cost of staff PCs every three years, lap-tops every three years and fund the replacement of servers every seven years. This policy allows for expansion/replacement as needed by enhancements to technology. The maximum level of annual funding in the account is \$25,000.00 (twenty-five thousand dollars). The Information Technology Reserve Fund will be funded at year-end if revenue exceeds the System's expenses, and provided needed contributions to other reserve funds have been made and the Operating Reserve Fund Balance is adequate.