



## STAFF REPORT

TO: Regional Planning Governing Board

FROM: Jeremy M. Smith, Interim Director

SUBJECT: **[For possible action] Presentation, discussion and possible adoption of jurisdictional allocations and the TMRPA budget for Fiscal Year 2020-2021 (AGENDA ITEM 6.A)**

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This staff report provides the Regional Planning Governing Board (RPGB) with a proposed TMRPA budget for Fiscal Year 2020-21. A proposed budget which includes requested jurisdictional allocations, anticipated revenue from other sources (i.e. shared work programs) and estimated expenditures is included in **Attachment 1**.

### BACKGROUND

The funding for TMRPA is outlined in the Nevada Revised Statutes (NRS) and implemented through an Interlocal Agreement. The three jurisdictions, Reno, Sparks and Washoe County, are responsible for funding the budget of the agency, at a rate equivalent to the number of members on the RPGB; for example, Reno is responsible for 40% of the budget, Sparks and Washoe County are responsible for 30% each. TMRPA also participates in a variety of shared work programs that contribute to the agency's general fund and consulting budgets. Initial discussion with the Board was started at the October 10<sup>th</sup>, 2019 RPGB meeting to begin the conversation about TMRPA's budget well in advance of the local jurisdiction's budget adoptions. Further discussion took place during the December 12, 2019 meeting of the RPGB. On January 31<sup>st</sup>, Interim Director Smith met with Reno City Manager Newby, Sparks City Manager Krutz, and Washoe County Manager Brown to discuss jurisdictional allocation amounts and budget assumptions.

### FY 2019-20 ESTIMATE TO COMPLETE

TMRPA has experienced significant changes to staffing levels since the beginning of the current fiscal year. **Attachment 2** details an estimate to complete this fiscal year's budget based on new assumptions for staffing, payroll and other expenditures through year end.

For the past 3 fiscal years (including the current fiscal year), TMRPA has received funds to support the Regional Plan Update (RPU) and implementation of the new regional plan in the amount of \$115,800 annually. The entirety of this allocation was spent in FY 2017-18 and a majority portion was spent in FY 2018-19. The remainder (ca. \$10,000) as well as all RPU funds received in FY 2019-20 remain in the TMRPA budget fund balance. The estimate to complete considers spending a portion of these funds in

0007

## RPGGB Meeting – February 13, 2020

## Agenda Item 6.A

## Page 2

FY 2019-20 (ca. \$10,000) and to use the remainder to support implementation of the RPU Work Plan items in FY 2020-21 (see Table 1 below).

**Table 1.** Estimated use of existing RPU funds. More detail on work plan tasks will be provided prior to the expenditure of funds in FY 2020-21.

	Estimated Expenditures in FY 2019-20 (\$)	Estimated Expenditures in FY 2020-21 (\$)
<b>WORK PLAN FORECAST</b>		
<b>Public Infrastructure Investment Plan (PIIP)</b>	0.00	75,000.00
<ul style="list-style-type: none"> <li>TMRPA staff hours to identify consultant needs in FY 19</li> <li>Initiate RFQ process for selecting consultant in FY 19</li> <li>Consultant @ \$200/hr</li> </ul> Potential hours in FY 20 = 375		
<b>Natural Resources Plan (NRP)</b>	0.00	35,000.00
<ul style="list-style-type: none"> <li>TMRPA staff hours to identify consultant needs in FY 19</li> <li>RFQ process for selecting consultant in FY 19</li> <li>Consultant @ \$125/hr</li> </ul> Potential hours in FY 20 = 280		
<b>Truckee Meadows Annual Report (TMAR)</b>	10,000.00	5,000.00
<ul style="list-style-type: none"> <li>Graphing and visualization software FY 19</li> <li>Support for web implementation FY 19</li> <li>Ongoing maintenance FY 20</li> </ul>		
<b>Total</b>	<b>10,000.00</b>	<b>115,000.00</b>

**FY 2020-21 ASSUMPTIONS**

The assumptions contemplated for the 2020-21 fiscal year budget presented here build on research and conversations conducted since the October 10<sup>th</sup>, 2019 RPGGB meeting. As part of every year's budget development, TMRPA staff engages in discussions with the management of the local jurisdictions regarding the amount of the contribution for the coming fiscal year. Following the Board direction resultant from the October 10<sup>th</sup>, 2019 and December 12<sup>th</sup>, 2019 RPGGB meetings, TMRPA staff has held conversations with the management of the jurisdictions.

Conversation with the managers has addressed the amount of increase to each jurisdiction's annual allocations, as well as assumptions for other revenue sources and anticipated expenditures. TMRPA has requested a 7% increase to standard jurisdictional allocations. At the time of this writing the City of Sparks has agreed to the 7% increase and TMRPA awaits confirmation from the City of Reno and Washoe County. No additional RPU implementation funds have been requested for the proposed budget year and it is anticipated that no increase to jurisdictional allocations will be needed in FY 2021-22.

RPGB Meeting – February 13, 2020  
Agenda Item 6.A  
Page 3

Further, discussion with the managers focused on yet remaining RPU implementation funds (see Table 1) and how they will be used. There is agreement among the managers and TMRPA Interim Director that these funds will be disbursed/used based on a combined TMRPA and jurisdiction manager review of the funding request. Jurisdictional leadership also suggested that TMRPA build a 5-year budget outlook (provided here as **Attachment 3**) and with regard to RPU work plan items that the agency should choose one of the items and complete it rather than attempt to take on all three simultaneously – thus the focus in the current fiscal year on completing the new Truckee Meadows Annual Report product.

Further, since the large cuts resultant from the economic recession TMRPA has relied solely on cost of living adjustments (COLAs) to account for any increase in annual salary for staff. Start salaries for TMRPA staff positions are the lowest in the region when compared to other planning departments at the local jurisdictions. A difference of over \$2,000 separates the entry level salary for a regional planner at TMRPA when compared to an assistant planner at Washoe County. This difference is more pronounced, with a difference of roughly \$17,000, when compared to the starting salary for an assistant planner at the City of Reno. TMRPA employees do enjoy similar benefits to those at other jurisdictions which include 100% agency funded PERS contributions and an average of 93% agency contribution for health insurance.

In order to enhance potential employee retention and to stabilize increases to start salaries a one-time COLA of 2% and a reinstatement of annual merit increases is proposed. The TMRPA Employee Handbook contemplates merit-based steps annually if there is budget availability. The draft FY2020-21 budget estimates in this report propose a 2.5% merit increase for staff as well as a 2% cost of living adjustment to normalize starting salaries. It is anticipated that future COLA increases could be limited to every other or every third year to keep up with inflation and to maintain competitive start salaries for the agency. **Attachment 4** shows the current and proposed salary schedule for position tracks currently filled at TMRPA. Interim Director Smith will conduct formal employee evaluations in advance of the next fiscal year to document and support any merit-based increases for staff. Further, Smith intends to propose changes to the TMRPA Employee Handbook to clean up TMRPA's existing position listings, address salary steps to allow for up to a 5% merit-based raise annually, and to provide clear documentation for employees with regard to position descriptions, annual evaluations, salary ranges, and salary increase/advancement potential. It is anticipated that these changes will be brought forward for Board approval no later than the regularly scheduled June 2020 RPGB meeting.

Please note that the proposed budget for FY 2020-21 does not contemplate simultaneously employing an Executive Director and a GIS Coordinator. Depending on the results of the process to fill a permanent Director of Regional Planning this budget may need to be augmented with an allocation of more dollars to support filling both positions simultaneously per the existing Interim Director contract. No merit-based increase is included for the Interim Director position in the proposed budget.

The bulleted list below summarizes notable assumptions of the FY 2020-21 proposed budget (**Attachment 1**):

RPGB Meeting – February 13, 2020

Agenda Item 6.A

Page 4

- 7% increase to base jurisdiction annual allocations (no increase contemplated for FY 2021-22, and potential 2.5% allocation increase as needed starting in FY 2022-23 – see **Attachment 3** for a five-year budget outlook)
- No additional disbursement of \$115,800 to support RPU work plan items
  - Use of existing RPU monies to support RPU work plan items (Public Infrastructure Investment Plan and Natural Resources Plan) and completion of the Truckee Meadows Annual Report using a portion of those available funds in FY 2019-20 (see Table 1)
  - Use of remaining RPU funds will be vetted with local jurisdiction management prior to disbursement
- Continued financial support from the Regional Transportation Commission and Western Regional Water Commission as part of Shared Work Programs
  - Potential for increased funding from both entities in FY 2021-22 and beyond (see **Attachment 3**)
  - Increased annual allocation from RTC to \$100,000 starting in FY 2021-22
  - Proceed with the establishment of a recurring, formalized shared work program with the WRWC to support water and wastewater analysis and projections (in discussion)
- Immediate (i.e. upon approval of this proposed budget) posting and recruitment of a fulltime, regular Regional Planner I position to replace the current temporary, fulltime Regional Planner I
- Re-establishment of merit-based salary increases for employees to increase retention and morale
  - The proposed budget contemplates a 2.5% increase for 3 FTEs (excludes Interim Director) and promotion of one FTE from Regional Planner I to Regional Planner II
  - Anticipate changes to the employee handbook to address steps such that there is a potential of up to 5% merit-based increase annually based on performance
- A 2% Cost of Living Adjustment (COLA) for all employees
  - The re-establishment of merit-based raises will diminish the need for annual COLAs and provide more stability to position starting salaries and salary ranges however a 2% increase in FY 2020-21 will help adjust starting salaries by position type for competitiveness
- Roughly \$40,000 in the payroll line item to hire a part-time administrative assistant and for the continued use of interns
- Roughly \$27,000 remaining in the fund balance to support potential liabilities such as vacation payouts and health insurance increases (either through enrollment or rate changes) is included in the payroll expenditure category
- Roughly \$37,000 additional in the fund balance to support unforeseen costs

**RECOMMENDATION**

Staff recommends that the Regional Planning Governing Board discuss the proposed budget, indicate any desired changes and move to approve the budget as proposed or as augmented through Board discussion.

RPGB Meeting – February 13, 2020

Agenda Item 6.A

Page 5

Proposed Motion

I move to adopt the proposed TMRPA budget for fiscal year 2020-21 as presented in Attachment 1 of the staff report.

Please do not hesitate to contact Jeremy Smith or TMRPA staff at 775-321-8385 if you have any questions or comments on this agenda item.

/jms

**Attachments:**

*Attachment 1 – FY 2020-2021 Proposed Budget*

*Attachment 2 – FY 2019-2020 Estimate To Complete*

*Attachment 3 – Preliminary 5-year Budget Estimates*

*Attachment 4 – Salary Schedule for Current Year and Proposed Budget Year*

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**20-02-13 RPGB Agenda Item 6.A**  
**TMRPA budget for Fiscal Year 2020-2021**  
**Attachment 1: FY 2020-2021 Proposed**  
**Budget**

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## ATTACHMENT 1 – FY 2020-2021 Proposed Budget

	Proposed Budget FY 2020-2021 (\$)	Notes
<b>REVENUE</b>		
City of Reno - IA	331,112.00	7% Increase
City of Sparks - IA	248,164.00	7% Increase
Washoe County - IA	248,164.00	7% Increase
WRWC - Minute Taker	4,000.00	
Miscellaneous Revenue	1,440.00	UNR Pack Intern
RTC - Shared Services Program	75,000.00	\$15k increase from FY 19-20 to support Consensus Forecast
WRWC Shared Services	15,000.00	
NDEP / RCI	19,166.67	
<b>Total REVENUE</b>	<b>942,046.67</b>	
<b>EXPENDITURES</b>		
Payroll	611,451.36	5 full time staff salaries, interns, part-time office assistant and additional health insurance liability (estimated at \$26,980.32)
Professional Services	316,875.50	Includes RPU Work Plan Items - \$115,000
Services and Supplies	118,826.44	
<b>Total EXPENDITURES</b>	<b>1,047,153.30</b>	
Net Income	(105,106.63)	Initial accounting of revenue minus expenditures
Beginning Fund balance	141,905.44	Large fund balance reflects receipt of RPU funds in FY 19-20 without commensurate spending in that fiscal year
Estimated change in Fund Balance	(105,106.00)	Mainly reflects hiring outside consultants and/or materials to support RPU Work Plan Items using carry over RPU funds
Estimated Ending Fund Balance (July 1, 2021)	36,799.44 (4%)	Actual fund balance including built-in liability for health insurance increase in payroll line item - <b>\$63,779.44 (6%)</b>

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**20-02-13 RPGB Agenda Item 6.A**  
**TMRPA budget for Fiscal Year 2020-2021**  
**Attachment 2: FY 2019-2020 Estimate to**  
**Complete**

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## ATTACHMENT 2 – FY 2019-2020 Estimate to Complete

	Budget FY 2019-2020 (\$)	July 1, 2019 through Nov. 30, 2019 (\$)	\$ Needed to Complete Year	Estimated total \$ at Year End	% Estimated \$ At Year End Against Budget
<b>REVENUE</b>					
City of Reno - IA	309,451.00	232,088.25	77,362.75	309,451.00	100%
City of Sparks - IA	231,929.00	173,946.75	57,982.25	231,929.00	100%
Washoe County - IA	231,929.00	173,946.75	57,982.25	231,929.00	100%
WRWC - Minute Taker	4,000.00	561.00	800.00	1,361.00	34%
RTC - Shared Services Program	60,000.00	30,000.00	30,000.00	60,000.00	100%
Regional Plan Update	115,800.00	86,850.00	28,950.00	115,800.00	100%
NDEP / Resource Concepts Inc.	20,833.00	0.00	20,833.00	11,333.33	54%
WRWC Shared Services	15,000.00	0.00	15,000.00	5,000.00	33%
<b>Total REVENUE</b>	<b>988,942.00</b>	<b>697,392.75</b>	<b>288,910.25</b>	<b>966,803.33</b>	<b>98%</b>
<b>EXPENDITURES</b>					
Payroll	671,341.29	393,164.95	204,377.82	597,542.77	89%
Professional Services	247,795.00	77,635.82	112,365.18	189,236.00	76%
Services and Supplies	123,425.00	49,691.47	61,466.40	111,157.87	90%
<b>Total EXPENDITURES</b>	<b>1,042,561.29</b>	<b>520,492.24</b>	<b>378,209.40</b>	<b>897,936.64</b>	<b>86%</b>
Net Income	(53,619.29)	176,900.51	(89,299.15)	68,866.69	
Beginning Fund balance (July 1, 2019)				73,038.75	7%
Estimated change in Fund Balance				68,866.69	
Estimated Ending Fund Balance (July 1, 2020)				141,905.44	16%

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**20-02-13 RPGB Agenda Item 6.A**  
**TMRPA budget for Fiscal Year 2020-2021**  
**Attachment 3: Preliminary 5-year Budget**  
**Estimates**

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## ATTACHMENT 3 - Preliminary 5-year Budget Estimates

### Revenue

FY START YEAR	CITY OF RENO	CITY OF SPARKS	WASHOE COUNTY	RTC	WRWC	OTHER	TOTAL REVENUE
2019	309,451	231,929	231,929	60,000	5,000	128,494	966,803
2020	331,113	248,164	248,164	75,000	15,000	24,606	942,047
2021	331,113	254,368	254,368	100,000	40,000	10,000	989,849
2022	339,390	260,727	260,727	100,000	40,000	10,000	1,010,845
2023	347,875	267,246	267,246	100,000	40,000	10,000	1,032,366
2024	356,572	273,927	273,927	100,000	40,000	10,000	1,054,425

### Expenditures

FY START YEAR	PAYROLL	PROFESSIONAL SERVICES	SERVICES AND SUPPLIES	TOTAL EXPENDITURES
2019	597,543	189,236	111,158	897,937
2020	611,451	316,876	118,826	1,047,153
2021	626,738	200,000	120,015	946,752
2022	642,406	202,000	121,215	965,621
2023	658,466	204,020	122,427	984,913
2024	674,928	206,060	123,651	1,004,639

#### 5-year assumptions:

- No increase to jurisdictional allocations in FY 2021-22
- Potential for 2.5% annual increase to jurisdictional allocations during and after FY 2022-23 if needed
- Increase for RTC shared work program annual allocation to \$100,000 starting in FY 2021-22
- Establish formal, recurrent shared work program with WRWC by FY 2021-22
- Estimated 2.5% increase to payroll expenditures starting in FY 2021-22
- Estimated 1% increase to professional services and services and supplies expenditures annually starting in FY 2021-22
- Some potential for additional revenue
- Monitor fund balance and reduce or augment allocation assumptions to maintain 6 to 8% annual fund balance

### Fund Balance

FY START YEAR	ANNUAL NET	STARTING FUND BALANCE	ENDING FUND BALANCE	% OF ESTIMATED BUDGET EXPENDITURES
2019	68,867	73,039	141,905	16%
2020	-105,107	141,905	36,798	4%
2021	43,096	36,798	79,895	8%
2022	45,224	79,895	125,119	13%
2023	47,453	125,119	172,572	18%
2024	49,786	172,572	222,358	22%

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**20-02-13 RPGB Agenda Item 6.A**

**TMRPA budget for Fiscal Year 2020-2021**

**Attachment 4: Salary Schedule for Current  
Year and Proposed Budget Year**

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## ATTACHMENT 4 - Salary Schedule for Current Year and Proposed Budget Year

### Existing FY 19-20 Salary Schedule

Position	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
GIS/Planning Analyst I	49,296	51,761	54,349	57,066	59,920	62,916	66,061	69,364
GIS/Planning Analyst II	59,322	62,288	65,403	68,673	72,106	75,712	79,497	83,472
GIS Coordinator	74,443	78,165	82,073	86,177	90,486	95,010	99,761	104,749
Regional Planner I	49,296	51,761	54,349	57,066	59,920	62,916	66,061	69,364
Regional Planner II	59,322	62,288	65,403	68,673	72,106	75,712	79,497	83,472
Senior Planner	74,443	78,165	82,073	86,177	90,486	95,010	99,761	104,749
Policy Analyst I	49,296	51,761	54,349	57,066	59,920	62,916	66,061	69,364
Policy Analyst II	59,322	62,288	65,403	68,673	72,106	75,712	79,497	83,472
Senior Policy Analyst	74,443	78,165	82,073	86,177	90,486	95,010	99,761	104,749

### Proposed FY 20-21 Salary Schedule with 2% COLA added

Position	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
GIS/Planning Analyst I	50,282	52,796	55,436	58,208	61,118	64,174	67,383	70,752
GIS/Planning Analyst II	60,508	63,534	66,711	70,046	73,548	77,226	81,087	85,141
GIS Coordinator	75,932	79,728	83,715	87,901	92,296	96,910	101,756	106,844
Regional Planner I	50,282	52,796	55,436	58,208	61,118	64,174	67,383	70,752
Regional Planner II	60,508	63,534	66,711	70,046	73,548	77,226	81,087	85,141
Senior Planner	75,932	79,728	83,715	87,901	92,296	96,910	101,756	106,844
Policy Analyst I	50,282	52,796	55,436	58,208	61,118	64,174	67,383	70,752
Policy Analyst II	60,508	63,534	66,711	70,046	73,548	77,226	81,087	85,141
Senior Policy Analyst	75,932	79,728	83,715	87,901	92,296	96,910	101,756	106,844

Note: Does not include some positions that are currently unfilled. A complete salary schedule for all positions will be completed along with future changes to the employee handbook and TMRPA position descriptions - Anticipated for June 2020 RPGB meeting.