



STAFF REPORT

TO: Regional Planning Governing Board

FROM: Jeremy M. Smith, Director

SUBJECT: Presentation, discussion, and possible adoption of the TMRPA budget for Fiscal Year 2021-2022 (AGENDA ITEM 6.F)

This staff report provides the Regional Planning Governing Board (RPGB) with a proposed TMRPA budget for Fiscal Year 2021-22. The proposed budget which includes requested jurisdictional allocations, anticipated revenue from other sources (i.e. shared work programs) and estimated expenditures is included in **Attachment 2**.

BACKGROUND

The funding for TMRPA is outlined in 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 8, 2020 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 10, 2020 meeting of the RPGB. Following those meetings, Director Smith discussed jurisdictional allocation amounts with Reno City Manager Thornley, Sparks City Manager Krutz, and Washoe County Manager Brown.

FY 2020-21 ESTIMATE TO COMPLETE

TMRPA is on track to complete the Fiscal Year 2020-21 with higher than anticipated revenues and lower than expected expenditures (**Attachment 1**). Much of the savings from this year can be attributed to the COVID pandemic and TMRPA staff working from home. Given that situation, we did not attempt to fill a part-time office administrator position nor intern positions and thus those monies were not spent. In the end the payroll line item is estimated to complete at roughly 91% of the budgeted amount. Working from home also led to some savings on equipment usage at the office and office supply costs (e.g. printing and copying).

Costs for professional services such as our legal counsel and bookkeeper remain status quo, with small savings in data services and purchases. Further, we anticipate spending up to \$50,000 of our existing RPU Implementation funds to support a data gathering contract for the TMRPA Natural Resources Plan (NR

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Plan) in the current fiscal year. That initiative was identified as a necessary project for the agency to further bolster and refine the natural resources policies and mapping established during the 2019 Regional Plan. Roughly, \$80,633 for these previously earned RPU Implementation Funds will remain to support spending toward the Public Infrastructure Investment Plan in the next fiscal year and/or before the next Regional Plan update cycle.

Miscellaneous revenue received thus far in FY 2020-21 have increased total revenue to 105% of the anticipated budget. The increase is the result of two projects – a small mapping project for One Truckee River in the amount of \$5,000 (in process) as well as \$42,657 in Coronavirus Relief Funds from the City of Reno to support the COVID Risk Meter. Roughly \$31,645 of those relief funds were passed through the agency to other parties for services rendered such as website migration and automation, model validation and prediction, and Spanish translation services. The combination of these increased revenues with savings accrued during FY 19-20 and estimated to accrue during FY 20-21 have contributed the agency's fund balance. It is important to note that roughly \$80,633 of the estimated fund balance is slated for the RPU work plan products; Public Infrastructure Investment Plan and Natural Resources Plan.

TMRPA staff are also engaged with staff from the Northern Nevada Water Planning Commission (NNWPC) and Western Regional Water Commission (WRWC) to assist with the Regional Water Management Plan (RWMP) Update. Tasks to be completed by TMRPA include GIS mapping of future demand for water and sewer service as well as an update to the Regional Water Balance Map found in Chapter 6 of the RWMP. WRWC planning staff have identified up to \$25,000 in additional funds that could be used to support TMRPA in completing these efforts. We anticipate needing roughly \$10,000 dollars to fund our contribution to the RWMP this fiscal year. That will be in addition to \$5,000 received annually from the WRWC to pay the license maintenance costs for our ArcGIS server software. TMRPA budgeted to receive a total of \$15,000 from WRWC during the 2020-21 Fiscal Year which should be realized in full given TMRPA's assistance on the RWMP as outlined above.

FY 2021-22 ASSUMPTIONS

The proposed 2021-22 fiscal year budget presented here build on research and conversations conducted since the October 10, 2020 RPGB meeting (**Attachment 2**). 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 Board direction resultant from the October and December RPGB meetings, TMRPA staff has held conversations with the management of the jurisdictions. As planned, TMRPA has not requested any increase to jurisdictional allocations for fiscal year 2021-22. These allocations are as follows: City of Reno - \$331,112, City of Sparks - \$248,164, and Washoe County - \$248,164. Director Smith has discussed these amounts with the City and County Managers, and all have agreed this level of funding is acceptable.

Efforts to bolster agency revenue during FY 2021-22 will target building a successful shared services program with the WRWC. In addition to any technical help for the Regional Water Management Plan update, TMRPA plans to assist WRWC staff with project-related tasks such as stormwater infrastructure

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analysis and mapping, growth projections for water, sewer and/or effluent management demands, graphics and mapping, as well as outreach and communications as identified.

TMRPA will continue to support Regional Transportation Commission (RTC) planning efforts through a shared work program. TMRPA has engaged in a shared work program with the RTC annually for the past several years to support their long-range planning efforts and technical modelling for projects, and to support updates to the Regional Transportation Plan (RTP). TMRPA staff are currently engaged in data analysis and modeling to support the update of the RTP for 2050. Next year's RTC budget is not yet approved, but we anticipate funds for the work program this year to match previous years in the amount of \$60,000. The current year's amount of \$75,000 reflects the additional effort of producing the spatial disaggregation of the Consensus Forecast to inform the 2050 Regional Transportation Plan (updated every 4 years). TMRPA staff plan to continue conversations with leadership at the RTC to discuss potential future increases to the annual shared work program. Future increases will help establish reliable and dedicated funding for a GIS Technician to support RTC needs and ensure the timely delivery of any agreed upon data or GIS products. Next year's budget contemplates hiring a part-time GIS Technician (roughly 20 hours/week at approximately \$20 to \$25 per hour) to fulfill this role.

Other assumptions under consideration for the FY 21-22 budget are listed below:

- No increase to jurisdiction allocations in FY 2021-22 (potential 2.5% allocation increases as needed starting in FY 2022-23 – see **Attachment 3** for a five-year budget outlook)
- Possible expenditures of up to \$80,633 to support work on the Public Infrastructure Investment Plan or NR Plan as identified
- Continued financial support from the Regional Transportation Commission and Western Regional Water Commission as part of Shared Work Programs
 - \$60,000 dollars from the Regional Transportation Commission
 - \$25,000 dollars from the Western Regional Water Commission
- Up to a 5% merit-based increase for 3 FTEs and promotion of one FTE from Policy Analyst I to Policy Analyst II
- No increase to Director compensation
- Hiring of part-time GIS Technician to support development tracking and data maintenance for spatial modeling and RTC/WRWC deliverables (up to \$50,000 depending on needs)
- Continued use of interns for GIS and administrative/office support
- Roughly \$180,000 remaining in the fund balance to support potential liabilities such as vacation payouts, health insurance increases (either through enrollment or rate changes), and/or other unforeseen needs

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.

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Proposed Motion

I move to adopt the proposed TMRPA budget for fiscal year 2021-22 as presented in Attachment 2 of the staff report.

Please do not hesitate to contact Jeremy Smith at 775-225-0285 if you have any questions or comments on this agenda item.

Attachments:

Attachment 1 – FY 2020-2021 Estimate to Complete

Attachment 2 – FY 2021-2022 Proposed Budget

Attachment 3 – Preliminary 5-year Budget Estimates

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TMRPA Proposed Budget FY 2021-2022
Attachment 1: FY 2020-2021 Estimate to
Complete

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ATTACHMENT 1 – FY 2020-2021 Estimate to Complete

	Budget FY 2020-2021 (\$)	July 1, 2020 through Dec. 31, 2020 (\$)	\$ Needed to Complete Year	Estimated total \$ at Year End	% Estimated \$ At Year End Against Budget
REVENUE					
City of Reno - IA	331,112.00	165,556.00	165,556.00	331,112.00	100%
City of Sparks - IA	248,164.00	124,082.00	124,082.00	248,164.00	100%
Washoe County - IA	248,164.00	124,082.00	124,082.00	248,164.00	100%
WRWC - Minute Taker	4,000.00	354.75	1,000.00	1,354.75	34%
RTC - Shared Services Program	75,000.00	18,750.00	56,250.00	75,000.00	100%
Miscellaneous Revenue	1,440.00	42,657.50	5,000.00	47,657.50	3310%
NDEP / Resource Concepts Inc.	19,166.67	1,920.00	17,246.67	19,166.67	100%
WRWC Shared Services	15,000.00	0.00	15,000.00	15,000.00	100%
Total REVENUE	942,046.67	477,402.25	508,216.67	985,618.92	105%
EXPENDITURES					
Payroll	611,451.36	294,517.89	261,886.87	556,404.76	91%
Professional Services	316,875.50	74,530.98	159,652.40	234,183.38	74%
Services and Supplies	118,826.44	34,621.53	49,684.77	84,306.30	71%
Outside Services (CARES Act)	0.00	31,645.11	0.00	31,645.11	
Total EXPENDITURES	1,047,153.30	435,315.51	471,224.04	906,539.55	87%
Net Income	(105,106.63)	42,086.74	36,992.63	79,079.37	
Beginning Fund balance (July 1, 2020)				196,369.84	
Estimated change in Fund Balance				79,079.37	
Remaining RPU Implementation Funds				80,633.34	
Estimated Ending Fund Balance (July 1, 2021; Includes Remaining RPU Implementation Funds)				275,449.21	

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Attachment 2: FY 2021-2022 Proposed
Budget

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ATTACHMENT 2 – FY 2021-2022 Proposed Budget

	Proposed Budget FY 2021-2022(\$)	Notes
REVENUE		
City of Reno - IA	331,112.00	
City of Sparks - IA	248,164.00	No change from last fiscal year
Washoe County - IA	248,164.00	
WRWC - Minute Taker	4,000.00	
RTC - Shared Services Program	60,000.00	Existing shared services agreement
WRWC Shared Services	25,000.00	New shared services agreement
Miscellaneous Revenue	15,000.00	
Total REVENUE	931,440.00	
EXPENDITURES		
Payroll	632,690.40	5 full time staff salaries and benefits, part-time GIS technician (up to \$50k), continued use of interns
Professional Services	274,208.00	Includes spending remaining RPU Work Plan Funds - \$80,633
Services and Supplies	120,000.00	
Total EXPENDITURES	1,026,898.40	
Net Income	(95,458.40)	Initial accounting of revenue minus expenditures
Estimated Beginning Fund balance	275,449.21	Large fund balance reflects receipt of RPU implementation funds received in previous fiscal years but not yet spent (\$80,633)
Estimated Beginning Fund Balance: Absent RPU Implementation Monies	194,815.87	
Estimated Change in Fund Balance	(95,458.40)	\$80,633 - PIIP/NR spending, \$14,825 - use of fund balance for regular operations
Estimated Ending Fund Balance (July 1, 2021)	179,990.80	

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**Attachment 3: Preliminary 5-year Budget
Estimate**

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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
2020	331,112	248,164	248,164	75,000	15,000	68,179	985,619
2021	331,112	248,164	248,164	60,000	25,000	19,000	931,440
2022	339,390	254,368	254,368	60,000	25,000	20,000	953,126
2023	347,875	260,727	260,727	75,000	30,000	20,000	994,329
2024	356,571	267,245	267,245	75,000	30,000	120,000	1,116,062
2025	365,486	273,927	273,927	75,000	30,000	20,000	1,038,339

Expenditures

FY START YEAR	PAYROLL	PROFESSIONAL SERVICES	SERVICES AND SUPPLIES/OTHER	TOTAL EXPENDITURES
2020	556,405	234,183	115,951	906,540
2021	632,690	274,208	120,000	1,026,898
2022	645,344	200,000	121,200	966,544
2023	658,251	202,000	122,412	982,663
2024	671,416	304,020	123,636	1,099,072
2025	684,844	207,060	124,872	1,016,777

5-year assumptions:

- Potential to request 2.5% annual increase to jurisdictional allocations during and after FY 2022-23 if needed
- Maintain RTC shared work program annual allocation (minimum of \$60,000 annually)
- Establish formal, recurrent shared work program with WRWC by FY 2021-22
- Estimated 2% increase to payroll expenditures starting in FY 2022-23
- Estimated 1% increase to professional services and services and supplies expenditures annually starting in FY 2022-23
- Potential for increased jurisdiction funding in 2024 to support Regional Plan Update (Professional Services)

Fund Balance

FY START YEAR	ANNUAL NET	STARTING FUND BALANCE	ENDING FUND BALANCE	% OF ESTIMATED BUDGET EXPENDITURES
2020	79,079	196,370	275,449	30%
2021	-95,458	275,449	179,991	18%
2022	-13,418	179,991	166,573	17%
2023	11,666	166,573	178,239	18%
2024	16,990	178,239	195,229	18%
2025	21,562	195,229	216,791	21%

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