



STAFF REPORT

TO: Regional Planning Governing Board

FROM: Jeremy Smith, Director

SUBJECT: Presentation, discussion, and possible adoption of the TMRPA budget for Fiscal Year 2026 – 2027 (AGENDA ITEM 7.B)

This staff report provides the Regional Planning Governing Board (RPGB) with a proposed TMRPA budget for Fiscal Year 2026-27. 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 1**.

BACKGROUND

Initial discussion with the Board for this budget round took place during the December 11, 2025 RPGB meeting to begin the conversation about TMRPA’s budget in advance of the local jurisdiction’s budget adoption processes. Since December, Director Smith has engaged with Board leadership, Reno City Manager Bryant, Sparks City Manager Louthan, and Washoe County Manager Thomas to discuss potential increases to the jurisdictional allocation amounts.

TMRPA staff have identified a need to increase the annual allocation from each jurisdiction to improve and maintain the organization’s fiscal sustainability, keep up with rising costs for goods and services due to inflation, support employee retention, and to provide adequate funds for the TMRPA work plan and strategic goals. Discussion with the RPGB Chair, County and City Managers have indicated they are willing to support a 2% increase to the jurisdiction allocations for Fiscal Year 2026-27.

JURISDICTION ALLOCATIONS

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.

Jurisdiction allocation amounts have varied over the history of the Agency and have gone up or down in response to economic conditions like the Great Recession and to support periodic changes to Agency needs, such as during a Regional Plan Update cycle. The 2023-24 fiscal year’s budget benefited from a 24% increase to jurisdiction allocations, following three budget cycles where allocations had remained

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static. That increase allowed the agency to hire a new full-time administrative assistant, a position that had remained unfilled at the agency for nearly 10 years. The new admin has been a boon to TMRPA workflow, packet production, records retention, and other processes. The increase in budget allocation further bolstered Director Smith’s efforts to address employee retention and allowed the agency to keep up with rising costs due to inflation.

Over the past several years, TMRPA has continually achieved small savings in forecasted expenditures and has thus bolstered the Agency fund balance. Building an appropriate fund balance is an important component of fiscal management for the agency and allows TMRPA to absorb unforeseen cost increases like changes to PERS or increases in insurance costs. However, the fund balance alone cannot provide for a consistent increase in annual funding availability to keep up with inflation and the rising costs of goods and services. To address these concerns and to manage the Agency’s fiscal position, Director Smith has proposed that the Board and managers annually assess the need for allocation increases on the order of one to three percent each year.

Discussions with the City and County managers for the proposed fiscal year followed previous protocol where [West Region Consumer Price Index \(CPI\)](#) is used as a starting point for discussions about possible increases to annual allocations. Director Smith proposed a 2% increase to jurisdiction allocations for FY 2026-27. This value is about 1% below the December 2025 value for West Region CPI of 2.9%. All three jurisdiction managers agreed to the 2% increase during one-on-one conversations in January of this year. The proposed increase amount to each jurisdiction’s allocation is shown in Table 1 below.

Table 1. Existing and proposed jurisdiction allocations.

Jurisdiction	Existing Allocation (\$)	Proposed Increase Percentage	Proposed Increase Amount (\$)	Proposed Annual Allocation (\$)
City of Reno	\$ 434,293	2%	\$ 8,686	\$ 442,979
City of Sparks	\$ 325,496	2%	\$ 6,510	\$ 332,006
Washoe County	\$ 325,496	2%	\$ 6,510	\$ 332,006
Total	\$ 1,085,285		\$ 21,706	\$ 1,106,991

AGENCY NEEDS, WORK PLAN AND STRATEGIC GOALS

For the remainder of the fiscal year, TMRPA staff will continue working toward completion of the strategic work plan approved by the RPGB in June of 2025. The work plan goals are divided into four main goal areas, listed below. Tasks addressed or completed to date are described under each category. A full reporting of goal progress and completion will be included in the “Agency Report Card” once the 2025-26 fiscal year is completed.

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- **Regulatory duties**

- TMRPA staff have managed the agency’s case load in a timely manner, bringing forward all conformance review cases for requested master plan amendments and projects of regional significance. Further, regional plan amendments have been reviewed when appropriate (e.g., new regional utility site mapping).
- TMRPA anticipates bringing HOME funding recommendations for ratification to either the April or June meeting of the RPGB.
- To date, there have been no annexation or detachment requests that require the Regional Planning Commission (RPC) to serve as the annexation commission.

- **Regional Coordination**

- Efforts in this category have focused on building consensus and data sharing with regard to the approval of new or expanded schools, data center research and work to update TMRPA energy policies, and general coordination efforts with regional partners (e.g., Tribal Governments).
 - Item 7.E today addresses building a data sharing relationship with the State Public Charter School Authority (SPSCA) and our current progress on developing regional policy to align requirements for new school approvals of any type across all three jurisdictions.
 - Research progress continues with regard to data centers and other high energy businesses. Item 7.C from the packet today will detail results to date as well as given an update on our work to review and renew energy-related policies in the Regional Plan.
- Significant time has been spent dealing with the unforeseen circumstances surrounding the dissolution of the Truckee Meadows Parks Foundation and TMRPA’s actions to ensure regional trails data maintenance and coordination continues as part of the TM Trails program. Progress has been made in the selection of a trails coordinator and staff anticipate that the contracted regional trails coordinator position will be filled starting in March of this year.
- At the behest of RPC Chair Pierce, TMRPA has formed a subcommittee to address potential improvements to regional coordination. More information regarding this activity and the application of exiting coordination policies is addressed in item 7.D of this packet.

- **Data and Analytics**

- The agency has made significant progress toward completing the tasks of this goal area. Notably, the agency’s GIS architecture and infrastructure have been updated to state of the practice approaches utilizing ArcGIS Pro, Server, and Portal. Furthermore, TMRPA has

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hired a part-time GIS Technician and has increased the utilization of GIS interns to address the agency's development tracking backlog and to create systematic processes and automations to foster more real-time tracking of development data and associated modeling work. Furthermore, TMRPA has worked on facets of the third foundation document that is designed to document TMRPA's role and methods with regard to housing, population forecasting, development tracking, and spatial modeling. It is anticipated that work to complete this document will continue into the next fiscal year.

- TMRPA staff continue to address or have completed the following updates in the current fiscal year:
 - Natural Resource Plan and portal update;
 - Public Infrastructure Plan and dashboard update;
 - Completion of the Truckee Meadows Annual Report (TMAR) for fiscal year 2024-2025;
 - Delivered official population estimates, based on tracking new dwelling units, to the NV State Demographer;
 - Continued management of several online map viewers (e.g., Sourcewater Protection).
- Continued administration and efforts to support shared work programs with the Regional Transportation Commission (RTC) and Western Regional Water Commission (WRWC). Over the past year, we have worked closely with the RTC on their transportation demand model and anticipate more work this coming fiscal year as we prepare the 2026 Washoe County Consensus Forecast. In addition, up to \$50,000 will be available from the WRWC to help support water and wastewater planning, including significant support from TMRPA for a wholesale update to the Regional Water Management Plan.

- **Administration**

- Completion of the FY 2023-24 financial audit.
- Management and preparation of Agency budget.
- Employee evaluations are forthcoming prior to the end of the current fiscal year.
- Continuous improvements to both digital and paper file management, with the anticipation of replacing the TMRPA file server in FY 26-27.
- Continued management of day to day administrative tasks.

CURRENT NEEDS AND PROPOSED FISCAL YEAR 2026-27 BUDGET ASSUMPTIONS

We are on track to complete the existing fiscal year (FY 2024-25) roughly \$1,200 over budget (**Attachment 2**). The estimated fiscal position at the end of FY 2024-25 reflects small savings Services and Supplies category. The Payroll category matched anticipated expenditures. The cost of Professional services was slightly higher than anticipated. This is to some degree related to the Regional Trails Coordinator position

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and the application of funds to that effort in the fourth quarter of the current fiscal year. TMRPA has also received more in revenue during the current fiscal year thanks to a donation from the Greg Nelson - Warren Nelson Family. Given the savings and increases to the Agency fund balance over the past several years, TMRPA is in a good position to weather unexpected economic conditions that may occur in future years.

That said, we do not want to overinflate the fund balance position and running over budget in FY 2026-27 will help us manage the fund balance accordingly. In particular, we have initiated a surge of activity related to GIS and ameliorating our backlog of development tracking work as we update our GIS systems and associated documentation. Over the remainder of this fiscal year and the next we plan to leverage as much assistance on the GIS front with significant hours for the GIS Technician and GIS intern positions. Following the loss of the GIS Coordinator in December of 2024, the agency experienced a gap in GIS support that inflated the development tracking backlog. We are eager to remove that backlog and utilize our updated GIS infrastructure to promote sustainable development tracking and modeling going forward.

The dip into the Agency fund balance in FY 2026-27 (ca. \$130,000; Attachment 1) reflects the focus on GIS work but also relates to support for the TM Trails Regional Trails Coordinator Position. Monies to support the position have been received in the current fiscal year but the majority will be spent in FY 26-27. Revenues may be bolstered in FY 26-27 with additional trails monies. A major requirement of the Trails Coordinator position will be to identify and acquire funds to sustain the position.

With continued small increases to annual allocations, potential for small savings on expenditures, and judicious use of the Agency fund balance, when necessary, TMRPA has achieved a level of fiscal sustainability that allows the Agency to keep up with cost inflation and stay competitive in terms of employee compensation.

In addition to the needs identified above, the following assumptions were used to create the proposed budget for FY 26-27 (**Attachment 1**).

- Continued part-time GIS Technician position and increased use of interns as part of the Agency's GIS surge to address development tracking backlog, automate processes, and inform the third foundational document describing TMRPA's work forecasting population/jobs and spatial modeling
- Update TMRPA's file server
- Targeted computer upgrades for staff and TMRPA conference room
- Increase of 2% to jurisdiction allocations (see Table 1 above)
- Shared Work Program with Regional Transportation Commission
 - \$75,000 to provide GIS support services for planning, transportation demand model, and Regional Transportation Plan update
- Shared Work Program with Western Regional Water Commission
 - Up to \$50,000 for support services (GIS, graphics, minutes, etc.)
- Up to 5% merit-based increase for TMRPA staff

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- Increased budgeting for perceived cost increases to outside services and materials, such as:
 - Financial audit
 - Bookkeeping
 - Data services
 - Software
- PERS rate of 36.75%
- Consideration of potential health insurance cost increases

FIVE-YEAR BUDGET OUTLOOK

The City and County Managers have asked Director Smith to prepare a five-year budget forecast that predicts future agency spending and needs. That five-year forecast is available as **Attachment 3** to this staff report. The actual needs and considerations for the TMRPA budget will be vetted each year starting in October. Given this is a possible future scenario that is subject to unknown future conditions (i.e., economy, jurisdiction budgets, etc.), each year's budget setting will react to the actual spending and accounting of prior and current years.

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.

Proposed Motion

I move to adopt the proposed TMRPA budget for fiscal year 2026-27 as presented in Attachment 1 of the staff report.

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

Attachments:

Attachment 1 – FY 2026-2027 Proposed Budget

Attachment 2 – FY 2025-2026 Estimate to Complete

Attachment 3 – Five-year TMRPA Budget Forecast

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Item 7.B: TMRPA budget for Fiscal Year 2026 - 2027

Attachment 1: FY 2026-2027 Proposed Budget

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ATTACHMENT 1 – FY 2026-2027 Proposed Budget

	Proposed Budget FY 2026-2027(\$)	Notes
REVENUE		
City of Reno - IA	442,979.00	
City of Sparks - IA	332,006.00	2% Increase from last fiscal year to keep up with West Region CPI
Washoe County - IA	332,006.00	
RTC - Shared Services Program	75,000.00	Shared work program
WRWC - Shared Services Program	30,000.00	Shared work program
Miscellaneous Revenue	70,000.00	Potential funding for trails position
Total REVENUE	1,281,991.00	
EXPENDITURES		
Payroll	987,579.94	6 full time positions, part-time GIS Technician and 2 GIS interns
Professional Services	266,472.36	Legal, bookkeeping, audit, consulting, Regional Trails Coordinator
Services and Supplies	158,250.89	Data, software, equipment, video production, etc.
Total EXPENDITURES	1,412,303.19	
Estimated Net Income FY 24-25	(130,312.19)	Estimate of revenue minus expenditures
Estimated Beginning Fund Balance (July 1, 2026)	497,365.90	Reflects trails monies received in FY 25-26, with majority to be spent in FY 26-27
Estimated Change in Fund Balance	(130,312.19)	
Estimated Ending Fund Balance (June 30, 2027)	367,053.71	29% of overall budget revenue estimate

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Item 7.B: TMRPA budget for Fiscal Year 2026 - 2027

Attachment 2: FY 2025-2026 Estimate to Complete

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ATTACHMENT 2 – FY 2025-2026 Estimate to Complete

	Budget FY 2025-2026 (\$)	July 1, 2025 through Dec. 31, 2025 (\$)	\$ Needed to Complete Year	Estimated total \$ at Year End	% Estimated \$ At Year End Against Budget
REVENUE					
City of Reno - IA	434,293.00	217,146.50	217,146.50	434,293.00	100%
City of Sparks - IA	325,496.00	162,748.00	162,748.00	325,496.00	100%
Washoe County - IA	325,496.00	162,748.00	162,748.00	325,496.00	100%
RTC - Shared Services Program	75,000.00	33,750.00	41,250.00	75,000.00	100%
WRWC Shared Services	30,000.00	3,662.03	26,337.97	30,000.00	100%
Miscellaneous Revenue (e.g. Trails)	10,000.00	0.00	75,000.00	75,000.00	750%
Total REVENUE	1,200,285.00	580,054.53	685,230.47	1,265,285.00	105%
EXPENDITURES					
Payroll	888,342.00	440,009.56	452,670.13	892,679.69	100%
Professional Services	210,512.00	102,950.16	128,499.96	231,450.12	110%
Services and Supplies	170,754.53	67,352.97	74,975.28	142,328.25	83%
Total EXPENDITURES	1,269,608.53	610,312.69	656,145.37	1,266,458.06	100%
Net Income	(69,323.53)	(30,258.16)	29,085.10	(1,173.06)	
Beginning Fund balance (July 1, 2025)				498,538.96	
Estimated change in Fund Balance				(1,173.06)	
Estimated Ending Fund Balance (July 1, 2026)				497,365.90	

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Item 7.B: TMRPA budget for Fiscal Year 2026 - 2027

Attachment 3: Five-year TMRPA Budget Forecast

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Attachment 3: Five-year TMRPA Budget Forecast

This attachment attempts to look ahead five years (including the proposed FY 2026-27 budget year) and forecast changes to budget revenues and expenditures. This forecast represents only one scenario of many possible futures and is designed to indicate the kinds of considerations necessary to create a fiscally sustainable agency for years to come. The forecast assumes existing staff remain with the agency in their current positions, with potential for advancement. This approach targets maintaining a positive agency fund balance (calculated as a percent of forecasted annual revenue) after five years. Given this is a future scenario that is subject to unknown future conditions (i.e. economy, jurisdiction budgets, etc.), each year's budget setting will react to the actual spending and accounting of prior and current years. A new five-year prediction can be created each year to track our progress against these assumptions.

Five-year Forecast Assumptions:

- Includes fiscal years ending in 2027, 2028, 2029, 2030, 2031.
- Incorporates increases for health insurance and other services subject to cost increases from inflation
- PERS increases from 36.75% to 40.75% over 5 years (1% annual increases)
- 3% annual increase for Director salary
- 5% annual merit increases for staff
 - Assumes employee retention of existing employees
 - Assumes two existing Regional Planner employees reach the Senior Planner level
 - Assumes cessation of the GIS Technician position after FY 26-27
 - Assumes reduced use of interns after FY 26-27
- Annual increase to jurisdiction allocations
 - Includes the proposed increase of 2.1% for FY 2025-26
 - Annual proposed increases will be built based on an accounting of actual spending versus received revenue
 - I anticipate annual allocation increases on the order of 2 to 4% and have modeled the 5-year outlook using 3-4%
- Continued support for the Regional Trails Coordinator position with annual increases to budgeted costs for services
- Continued support from WRWC
 - Anticipate receiving up to \$50,000 annually, with increases in years three, four and five
- Continued support from RTC
 - Anticipate maintaining the \$75,000 for two years and increasing to \$100,000 in year three to keep up with the cost inflation for data and software to serve RTC modeling and planning efforts
- Assumes we receive all forecasted revenues and there are no savings on expenditures in any of the forecasted years
 - Maximizes potential use of existing fund balance

The goal of the five-year forecast (**Table A3.1**) is to anticipate the agency’s needs to achieve a sustainable budget. Further, it is a goal to maintain a ca. 10% fund balance to accommodate unforeseen occurrences (e.g., payouts, lawsuits, emergencies). The current five-year forecast scenario ends with a predicted 9% fund balance. This five-year outlook assumes there are no annual savings or unexpected increases in revenue. With small annual savings versus predicted expenditures, we should be able to extend the use of the Agency fund balance beyond the five-year prediction window and improve fiscal sustainability of TMRPA while still ensuring merit increases for staff and considering increased costs due to inflation.

Table A3.1. Five-year forecast of TMRPA Budget Revenue and Expenditures (\$)

REVENUES	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
City of Reno - IA	442,979	456,268	474,519	493,500	513,240
City of Sparks - IA	332,006	341,966	355,645	369,871	384,665
Washoe County - IA	332,006	341,966	355,645	369,871	384,665
Misc. Revenue	70,000	70,000	75,000	80,000	85,000
RTC Shared Services	75,000	75,000	75,000	100,000	100,000
WRWC Shared Services	30,000	50,000	55,000	60,000	70,000
Total Forecasted Revenues	1,281,991	1,335,201	1,390,809	1,473,241	1,537,571

EXPENDITURES	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Payroll	987,580	982,490	1,021,790	1,062,661	1,105,168
Professional Services	266,472	274,137	281,878	289,697	297,594
Services and Supplies	158,251	159,833	160,633	161,436	162,243
Total Forecasted Expenditures	1,412,303	1,416,460	1,464,301	1,513,794	1,565,005

Estimated End of Year Fund Balance	367,054	285,794	212,302	171,749	144,315
Fund Balance as a Percent of Forecasted Revenue	29%	21%	15%	12%	9%