



To: Thomas Jefferson Planning District Commission
From: Chip Boyles, Executive Director
Date: December 1, 2016

Re: Final Amended Budget FY17

Purpose: To present the amended FY17 budget, to be used as the basis for financial reports throughout the year.

Background: The budget process for each fiscal year consists of three steps: 1) approval of the projected budget in October, setting the per capita rate, population basis, and amounts requested for specific programs, to serve as the basis for budget submissions to localities, 2) the operating budget adopted in May as prescribed in the TJPDC Bylaws, and 3) a revised operating budget after the first quarter of the fiscal year, for approval in December, to serve as the budget for financial reports through the year. At the December 1, 2016 meeting, the Commission will consider the amended budget for FY17.

In your agenda packet is the Amended FY17 Budget. For your reference, the FY16 Actual and FY17 Approved (in May) operating budgets are included.

The Finance Committee has reviewed and we have for your review upon request, a detailed line item program working budget.

Proposed Final FY17 Budget:

The Recommended Amended FY17 Budget incorporates changes to revenue and expense assumptions from the FY17 Budget adopted at the May meeting and adjusted to include changes that have occurred during the first quarter of FY17.

Changes to revenue in the Amended FY17 budget include:

- Correction of classification of revenue sources State to Federal sources
- Increase in revenue for MPO FTA funding of \$6,182 from previous year
- Decrease in City of Charlottesville per capita revenue by \$2,009 for decreased approved funding
- Decrease in rental income of \$800
- Increase in interest income of \$ 840
- Increase of \$75,000 for newly awarded SHRP2 I-64 Planning Grant
- Increase of \$30,287 for newly awarded Nelson County Econ Development Planning Study
- Decrease of \$9,973 in Nelson County Rockfish study due to increased work and billing at end of FY16.
- Increase of \$95,000 for newly awarded VDOT TAP grant for 5th Street Station.

- Increase of \$1,078 for Albemarle County Broadband contract.
- Increase of \$3,453 for unexpected TJPDC Corp. grant revenues.
- Increase of \$266 for Hazard Mitigation Grant correction.
- Increase of \$2,953 for RRBC funding from Fluvanna and Greene Counties. (These funds are not to be spent until full partnership participation occurs.)
- Increase of \$2,254 in HOME funds from TJPDC HOME reserve account.
- Increase of \$47,622 for Route 29 Marketing pass through funds from two fiscal year correction.

Changes to expenses in the FY17 budget include

- Increased salaries and benefits to adjust for the added full time entry level Planner I position to provide assistance with increased project workload. Position is funded only through FY17.
- Increased salary and benefits for \$500 per employee bonuses should funding be available in April/May.
- Increase in contractual services for web and social media presence for newly added projects of SHRP2, Nelson Economic Development, and MPO projects.
- Increase in insurance to provide Officers & Liability Insurance for RRBC
- Decrease in telephone expenses due to contractual cost savings
- Increase in janitorial contractual costs. First increase in 3 years.
- Increased expense for additional staff training and development.
- Adjustment to some expense line items based on actual amounts for these expenses for first quarter of FY17
- Increases in pass through amounts due to pass through obligations in SHRP2, Nelson County Economic Development, and 5th Street TAP grant.

Overall, we expect revenues to exceed expenditures by \$49,416 for the year. This is still a conservative budget estimate. We anticipate based upon recent activity to:

- ✓ Increase office rentals and Water Street Center rentals above the amended budget amount.
- ✓ Additional contractual services with local governments and a large contract with VDOT for Hydraulic & 29 Planning Management Services.
- ✓ Monitor expenditures for minimized spending

Report from Executive Committee: The Finance Committee met during regular meetings to review the FY 17 budget. Projected revenues and local funding requests were considered based upon estimated expenses. Recommendations were made considering the ongoing financial benchmarks established by the Commission to:

- Operate financially conservative to create a fiscally sustainable agency.
- Maintain a reasonable cash position to provide adequate resources for lean revenue months.
- Work to build an adequate retained earnings reserve for future services and future growth opportunities

- Prioritize service programs that are fiscally sustainable and pay for themselves
- Control expenses within known revenue sources

To meet the above objectives, the Executive Committee recommends:

- Establishing a per capita rate beginning with FY18 for the Legislative Liaison program, currently estimated at \$.40 per capita
- Begin budgeting for specific regional and local projects to be funded out of per capita contributions and billed under fully loaded salary/fringe rates. This helps to lower agency indirect cost rates in the future.
- Approval of the FY 17 Amended Operating Budget as submitted

Finance Committee Recommendation: Approval of the amended final FY17 Budget for use in approved expenditures, financial reporting and auditing.

Recommended Motion by Commission: To approve the amended final FY17 Budget for use in approved expenditures, financial reporting and auditing