


MEMORANDUM

To: TJPD Commissioners
From: Chip Boyles, Executive Director 
Date: April 6, 2017
Re: Draft FY18 Budget and Work Program

Purpose: The Annual Operating Budget and Work Program set forth the anticipated work, revenue and expenditures for the upcoming fiscal year, July 1, 2017 to June 30, 2018.

Background: The TJPD Bylaws state that the “budget and work program for the ensuing fiscal year shall be approved by the Commission at or before the regular meeting in May.” These documents are also required for submission to the Department of Housing and Community Development, along with the FY16 annual report. The budget may be amended by the Commission at any Commission meeting.

Issues: The Work Program incorporates the Scopes of Work approved by the MPO and the TJPD for the urban and rural transportation programs, as well as the housing activities identified in the HOME Action Plan. The Scope of Work also includes activities reflected in the Ride Share Work Plan. Other activities in the Work Program were added by program managers.

Projected revenues for FY18 are \$2,048,402, and projected expenditures are \$2,048,402. This budget and work program covers the period from July 1, 2017 to June 30, 2018. This is the preliminary budget. The final budget will be provided for Commission consideration at the February meeting, at which time we will have more definitive revenues identified for FY18.

The Finance Committee has been working with staff to prepare FY18 draft budget scenarios for review by the Commission. The Finance Committee will meet prior to the May Commission meeting to select a budget to recommend to the Commission for adoption at the May Commission meeting. This draft provided in April will allow all commission members to offer input to the Finance Committee and/or TJPD staff.

Staff’s goal is to have a positive net earnings each fiscal year and to have each fiscal year’s budget stand alone with no use of prior year’s retained earnings until our optimal retained earnings are reached. A long term goal is to build retained earnings, first to a safe level maintaining six months of average operating expenses available for immediate use if needed, and secondly to save for use toward the purchase of a future office building, and third to have resources available to take advantage of regional project grants that require a local match.

FY17 has been very good so far with an expected retained earnings of approximately \$50,000.

Projects awarded and contracted in FY17 or earlier will be completed in FY18 providing us a sound financial start to FY18.

Revenue: The proposed budget reflects funding for the proposed work program, drawn from the documents identified above, with some figures included for potential projects not yet awarded or under contract. At this point in the year, TJPDC does not have a full commitment of local funding, awards or contracts for FY18. Funds included reflect recently awarded projects and estimates of potential projects that have a very high likelihood of being awarded. Staff includes only potential funding sources that we are very sure will be awarded.

- Locality revenue is shown based on member assessments adopted at the October, 2016 Commission meeting and reflected in budget requests. Not all of the localities have taken action on budgets at this time.
- State Revenue - We are optimistic that once a state budget is approved, that funding through DHCD will remain at the FY16 level of \$75,971. PDC's have received this amount for several years.
- At this time, all locally requested funds are included in submitted local budgets including RRBC, Rideshare and Legislative Liaison funding.
- Charlottesville-Albemarle MPO funding reflects allocations through VDOT and DRPT for FY18 of \$280,273.
- RideShare funding of \$139,258 which is consistent with prior year funding levels.
- The amount of HOME funds that will be available for the coming year has not been provided to TJPDC at this time. Staff is projecting level funding from FY17. Based on that figure staff is anticipating \$46,566 for administration and \$421,350 in pass-through revenue and expenditures for the HOME program. The new Presidential Administration has proposed a budget that greatly reduces this funding for future years. This should not affect our FY18 budget but may be eliminated in FY19 and future budgets. We have chosen to not make any budgetary changes until final federal changes are known.
- Savings has increased for the TJPDC resulting in an increased earned interest income expected to be \$ 2,545.
- Office rental income is expected to remain constant at \$ 10,200 with the potential to increase by \$5,000.
- Staff is anticipating that the Hazard Mitigation Grant for Columbia approved for funding by FEMA would continue into FY18. The budget reflects a total of \$46,750 to be received in FY18, out of the \$200,000 grant, with most of that expended on property acquisition and demolition services.
- The FHWA SHRP2 Grant will continue through September, 2017. We have budgeted \$25,000 to finish up this project.
- The VDOT TAP Grant for 5th Street Station bike/ped improvements will continue through FY18. \$509,880 has been budgeted for final design and construction.
- Though not awarded yet, we have included the Housing Preservation Grant for \$ 41,683. We have been awarded this program for two years and expect to receive for this third year.
- The Hazard Mitigation Planning Grant will close out in FY2018. We have budgeted \$10,000 to complete this project.
- The TJPDC is contracted to assist with VDOT's Hydraulic Planning Study through FY2018 in the amount of \$42,600. These are local funds contributed from Charlottesville and Albemarle. The only projected revenue that is subject to local approved funding is a proposal to provide planning assistance to Greene County for the Ruckersville area. At the time of this memo, this funding of \$21,390 is included in Greene County's draft budget.
- Not included in our recommended budget are proposals to the Charlottesville Area Community Foundation for an Albemarle-Charlottesville Trails Coordination program, a proposal to the

Thomas Jefferson Community Land Trust for fiscal and management services, planning grant application for Albemarle County Social Services, Rivanna River Renaissance Planning and a proposal to Nelson County for a school bus routing study.

Expenses: Staff estimates of expenses reflect retention of 11 staff/positions we expect will be in place on July 1, with the following exceptions:

Add administrative and program duties to the Legislative Liaison position increasing hours from 30 per week to 40 per week. This is already a full time position with full benefits so only an incremental increase of salary for 10 hours per week is required. Program duties will be assigned to accommodate the increase as much as possible. This position will assume a number of administrative duties from the Executive Director allowing added time by the ED to be funded through programs. Legislative Liaison direct hours will be decreased to balance the local contribution funding with the direct legislative liaison expenses.

50% legislative – 50% administrative and programs.

- Legislative Liaison activities
- General assistance with meeting FY18 Work Program items and FY15-18 TJPDC Strategic Plan strategies.
 - Manage staff development of Policies & Procedures meeting new OMB Super Circular regulations required for receipt and expenditure of federal funds.
 - Increase presence at local government meetings.
 - Coordinate Regional Broadband Activities
 - Coordinate rebranding efforts
 - Assist with Strategic Plan update
 - Create TJPDC Talking Point document
- Budget for 750 hours of Intern part-time salaries.
- Agency expenses, excluding personnel and contracts with outside entities, are generally based on FY17 expenditures.
- This FY18 forecast budget includes a 1% staff salaries increase effective July 1st and a one-time \$500 late year staff salary adjustment if adequate revenues exceed expenses in late FY2018.
- Health insurance premiums are expected to increase by 2%. This increased expense is being borne equally between the TJPDC and employees.
- We anticipate to begin to experience a decreased indirect cost rate in future years. We have begun to charge staff time including indirect costs to per capita funding when the activity can be directly tied to a member government project or directly tied to a regional project. In the past, many of the activities were billed under general administrative duties, driving up our indirect cost rate. This policy change also allows TJPDC staff to decrease services to local governments when equitable per capita funding is not met by a local government.
- Staff continues to perform more communication and IT services with existing staff decreasing our need for external contractual services.

- Normal increases are expected for rent and janitorial services. Janitorial services will be bid for FY18 services.

FY 2018 Work Program Key Projects:

- TJPDC FY15-18 Strategic Plan Implementation
- TJPDC FY19-23 Strategic Plan Development
- TJPDC Development of Regional Performance Measures
- TJPDC Regional Education Events
- TJPDC Assistance with Regional Broadband Service improvements.
- TJPDC GO Virginia Planning Assistance
- TJPDC Fifth Street Station Bike /Ped Project
- TJPDC Charlottesville Area Alliance participation
- TJPDC Affordable Housing Coordination & Prioritization
- TJPDC Legislative Information and Direction
- TJPDC Development of OMB Super Circular Policies & Procedures
- MPO Hydraulic Small Area Planning
- MPO Long Range Transportation Plan
- MPO Regional Transit Partnership
- MPO Amtrak Station Development
- MPO SHRP2 I-64 Corridor Study Completion
- MPO/TJPDC Jefferson Area Bike Plan Completion
- RIDESHARE CAT-JAUNT-UTS Guaranteed Ride Home Marketing Program
- RIDESHARE Alternative Commute Business Program

❖ **Proposals subject to funding**

- TJPDC Greene County Ruckersville Small Area Plan
- TJPDC Rivanna Renaissance Planning
- TJPDC Cherry Avenue Small Area Plan Proposal
- Albemarle Social Services Feasibility Study
- TJCLT Staffing, Fiscal & Management Services
- Charlottesville-Albemarle Bike Trails Coordination Project

Action Needed: The Commission needs to approve the Budget and Work Program at the May meeting, per the requirements of the Bylaws.

	\$0.62 per capita	\$0.62 per capita	2/2/2017 \$0.62 per capita	5/4/2017 \$0.62 per capita
	<u>FY16 Amended</u>	<u>FY16 Actual</u>	<u>FY17 Operating</u>	<u>FY18 Projected</u>
Revenue				
Federal	\$875,671	\$778,013	\$1,172,934	\$1,396,672
State	\$253,631	\$321,089	\$355,514	\$255,722
Local	\$159,853	\$189,017	\$322,267	\$229,193
Local per capita	\$150,752	\$150,752	\$150,809	\$154,070
Interest Income	\$750	\$1,199	\$1,379	\$2,545
Rent Income	\$5,000	\$6,715	\$8,200	\$10,200
Total Revenue	<u>\$1,445,657</u>	<u>\$1,446,785</u>	<u>\$2,011,103</u>	<u>\$2,048,402</u>
Expenditures				
Personnel				
Salaries	\$548,617	\$559,612	\$619,903	\$660,872
Fringe and Release	\$136,476	\$126,180	\$145,182	\$157,397
Total Personnel	<u>\$685,093</u>	<u>\$685,792</u>	<u>\$765,085</u>	<u>\$818,269</u>
Direct Costs				
Overhead				
Postage	\$3,941	\$3,038	\$3,846	\$4,236
Subscriptions	\$550	\$105	\$550	\$550
Supplies	\$7,196	\$3,946	\$7,738	\$5,445
Audit-Legal	\$16,500	\$15,608	\$20,750	\$16,500
Advertising	\$11,693	\$12,073	\$18,059	\$14,787
Professional Development -	\$0	\$0	\$0	\$0
Meeting Expenses	\$3,584	\$3,530	\$7,570	\$4,464
TJPDC Contractual	\$53,363	\$45,578	\$60,411	\$43,740
Dues	\$8,534	\$6,964	\$8,470	\$9,180
Insurance	\$3,946	\$3,259	\$3,450	\$3,300
Printing/Copy	\$9,164	\$5,471	\$5,545	\$5,222
Rent	\$84,028	\$82,140	\$84,529	\$86,990
Equip/Data Use	\$31,206	\$26,087	\$26,048	\$20,762
Telephone	\$8,601	\$6,697	\$5,833	\$5,620
Travel-Vehicle	\$16,345	\$16,487	\$13,625	\$15,318
Janitorial	\$9,600	\$9,493	\$10,920	\$10,920
Professional Development	\$11,693	\$7,808	\$14,757	\$12,850
Total Direct Costs	<u>\$279,944</u>	<u>\$248,284</u>	<u>\$292,101</u>	<u>\$259,884</u>
TOTAL OPERATING EXPENSES	<u>\$965,037</u>	<u>\$934,076</u>	<u>\$1,057,186</u>	<u>\$1,078,153</u>
Net Ordinary Income	\$480,620	\$512,709	\$953,917	\$970,249
Other				
MPO Pass Thru	\$0	\$0	\$0	\$0
HOME Pass Thru	\$410,174	\$316,592	\$421,350	\$421,350
SHRP 2, RRBC Pass Thru	\$617	\$0	\$120,250	\$486,718
Columbia & HPG Pass Thru	\$55,190	\$115,830	\$357,632	\$62,181
Total Other Expenses	<u>\$465,981</u>	<u>\$432,422</u>	<u>\$899,232</u>	<u>\$970,249</u>
Net Other Income	<u>-\$465,981</u>	<u>-\$432,422</u>	<u>-\$899,232</u>	<u>-\$970,249</u>
Net Income	<u>\$14,639</u>	<u>\$80,287</u>	<u>\$54,685</u>	<u>\$0</u>

FY 18 Operating Budget Revenues

Revenue	Federal	State	Local	Local per capita	Interest Income	Rent
Locality and State Revenue						
Charlottesville				\$29,890		
Albemarle				\$65,132		
Fluvanna				\$16,220		
Greene				\$12,301		
Louisa				\$21,231		
Nelson				\$9,296		
Legislative Liaison			\$99,400			
State Contribution - DHCD		\$75,971				
Water Street Center Offices						\$0
Interest Income					\$2,545	\$10,200
Transportation						
Charlottesville-Albemarle MPO						
FTA Funding	\$83,155	\$10,396				
PL Funding	\$165,975	\$20,747	\$0			
SHRP2 SP@CE	\$19,375					
Route 29 Hydraulic			\$42,600			
Rideshare						
Rideshare VDPRT		\$139,258	\$34,815			
Clean Commute Day			\$825			
TJPDC Rural Transportation						
Rural Admin	\$14,600					
Rural Transportation Planning	\$43,400					
Other Programs						
Stanardsville	\$0		\$4,203			
Greene Route 29		\$0	\$21,390			
5th Street TAP	\$39,750					
Housing and Non-Profit						
HOME Consortium Admin	\$46,566					
TJPDC Corp.			\$0			
Housing Preservation	\$6,252					
Columbia-Fluvanna	\$15,000	\$4,000	\$1,000			
Environment						
RRBC			\$2,160			
Solid Waste			\$10,500			
Haz Mit Grant	\$10,000					
Pass Through Revenue						
Consortium HOME Pass Through	\$421,350					
Columbia Pass Through	\$20,062	\$5,350	\$1,338			
Housing Preservation Pass Thru	\$35,431					
SHRP 2	\$5,625	\$0	\$0			
RRBC	\$0		\$8,340			
5th Street TAP	\$470,130					
Ride Share Pass Through			\$2,623			
Total Revenues by Category	\$1,396,671	\$255,722	\$229,194	\$154,070	\$2,545	\$10,200
Sum Total of Revenues						\$2,048,402