

**AGENDA NOTE: - HRPDC EXECUTIVE COMMITTEE MEETING**

**ITEM #7: FY 2011 PROPOSED BUDGET**

**SUBJECT:**

The majority of the Hampton Roads localities have finalized their FY 2011 Operating Budgets. The HRPDC is submitting its proposed FY 2011 Budget for Board review and approval.

**BACKGROUND:**

Because of the tight economic and fiscal environment, the HRPDC delayed its Proposed FY 2011 Operating Budget for approval until the majority of its localities knew what funding would be available. Attachment B to this Agenda Note is the Proposed Operating Budget for FY 2011 for the HRPDC.

Member Contribution Dues from jurisdictions within the membership of the HRPDC remain unchanged at \$.82 per capita. Population estimates are the Final 2007 Weldon Cooper Center figures. This resulted in the total amounts requested from the jurisdictions remaining unchanged as well.

Please review Attachment A to this Agenda Note for a summarized narrative of the major components of the FY 2011 Operating Budget that may be of interest.

In discussion with the HRPDC audit firm, Goodman & Co., reserve accounts have been established (see Attachment C) to fund anticipated future expenditures in certain areas. These reserves will be funded from the reserve for contingencies as well as any cost savings in expenditures.

Mr. Dwight Farmer, Executive Director and Mrs. Nancy Collins, Chief Financial Officer, will be present to summarize the FY 2011 Budget.

**RECOMMENDED ACTIONS:**

Approve Proposed FY 2011 Operating Budget.

Attachments

## ATTACHMENT 7A

### FY 2011 HRPDC OPERATING BUDGET NARRATIVE

Total FY 2011 Proposed Operating Budget for the HRPDC is \$3 million less than the Operating Budget for FY 2010. Reductions in Pass-Through activity account for \$2.6 million of this figure, mainly in the Department of Homeland Security Grants. In addition, Personnel costs were reduced by \$300,000 and General Operations by over \$100,000.

Revenue reductions occurred in the following areas:

- State DHCD funding to PDCs was reduced by nearly 50% from FY 2010, from \$253,879 to \$132,124, a reduction of \$121,755.
- Local jurisdiction contributions remained constant at \$.82 per capita.
- Department of Homeland Security grants (UASI, FRAC, MMRS, etc.) fluctuate annually depending on the Statements of Work involved. Anticipated reductions in FY2011 from FY2010 total approximately \$2M.
- Environmental grants are down \$530,000, an aggregate of new and carry forward funding.

The HRPDC anticipates ending FY2011 in a break-even status. Because of the reductions in revenue however, the following changes to expenditures need to be made:

- Reduce Personnel costs by:
  - Not funding three full-time positions,
  - Not funding one part-time position,
  - Reclassifying a full-time position to a lower level,
  - Reclassifying a full-time position to a part-time position.

These actions reduced the Personnel budget by over \$300,000. No general salary increases were budgeted.

- General Operations were reduced by over \$160,000, with the bulk of that in:
  - Travel, Education and Training \$100,000,
  - Equipment and Data Purchases \$45,000,
  - Printing \$25,000
  - Recruitment \$17,000
- General Operations were increased in the following areas:
  - Network upgrades \$15,000
  - Photocopies \$18,000

- Other Areas of Interest:
  - Pass Through funding decreased by almost \$2.6 million due to the timing of project activity in the Homeland Security projects,
  - Special Contracts increased for High Speed Rail activities.

**HRPDC/HRTPO OPERATIONS BUDGET  
FISCAL YEAR 2011 PROPOSED**

			<b>2011 MATCH</b>	<b>2011 TOTAL BUDGET</b>	<b>2011 TRSF TO PASS-THRU</b>	<b>TOTAL 2011 TPO OPER BUDGET</b>	<b>TOTAL 2011 PDC OPER BUDGET</b>
<b>1 NEW REVENUE</b>							
2 State Grant (DHCD)	<b>NOTE 1</b>			\$ 132,124			\$ 132,124
3 LJ Assess: Member Contribution (\$.82)	<b>NOTE 2</b>			\$ 1,342,835		\$ 304,556	\$ 1,038,279
4 LJ Assess: Regional Water Programs				\$ 563,605	\$ 271,120		\$ 292,485
5 LJ Assess: Regional Stormwater Programs				\$ 203,109	\$ 74,170		\$ 128,939
6 LJ Assess: Stormwater Phase II				\$ 102,500			\$ 102,500
7 LJ Assess: Regional Waste Water Programs				\$ 159,000	\$ 74,670		\$ 84,330
8 LJ Assess: HR Clean Community System				\$ 69,080	\$ 42,470		\$ 26,610
9 LJ Assess: MMRS				\$ 328,334	\$ 295,501		\$ 32,833
10 LJ Assess: MCSC				\$ 59,541	\$ 59,541		\$ -
11 SPSA Contributions (Bd Room/Maint)				\$ 28,530			\$ 28,530
12 Interest Earnings				\$ 20,000			\$ 20,000
13 DEQ TMDL				\$ 26,000			\$ 26,000
14 DCR Roundtable				\$ 4,000			\$ 4,000
15 VCZMP		\$ 100,000		\$ 100,000			\$ 100,000
16 Stormwater Legal				\$ 60,000	\$ 60,000		\$ -
17 Gloucester Comp Plan				\$ 10,000			\$ 10,000
18 VB Lynnhaven				\$ 7,500			\$ 7,500
19 VDHCD HR Loan Fund Partnership				\$ 180,000	\$ 160,000		\$ 20,000
20 MMRS Grants				\$ 1,384,884	\$ 1,346,000		\$ 38,884
21 UASI Grants				\$ 1,884,555	\$ 1,578,155		\$ 306,400
22 FRAC Grants				\$ 765,634	\$ 682,885		\$ 82,749
23 VICIPRSP Grant				\$ 235,050	\$ 222,000		\$ 13,050
24 ACAMS Grant				\$ 155,000	\$ 148,214		\$ 6,786
25 Local Printing Revenues				\$ 63,000			\$ 63,000
26 Board Room Services Reimbursements				\$ 15,000			\$ 15,000
27 Sales Revenues				\$ 3,000			\$ 3,000
28 FTA 5303 Grant		\$ 16,577		\$ 149,191		\$ 149,191	\$ -
29 FHWA PL Grant		\$ 273,479		\$ 2,461,309		\$ 2,461,309	\$ -
30 VDOT Rural Grant		\$ 14,500		\$ 58,000		\$ 58,000	\$ -
31 MCSC Sales				\$ 8,000			\$ 8,000
<b>32 TOTAL NEW REVENUE</b>			<b>\$ 404,556</b>	<b>\$ 10,578,781</b>	<b>\$ 5,014,726</b>	<b>\$ 2,973,056</b>	<b>\$ 2,590,999</b>
33							

**HRPDC/HRTPO OPERATIONS BUDGET  
FISCAL YEAR 2011 PROPOSED**

		<b>2011 MATCH</b>	<b>2011 TOTAL BUDGET</b>	<b>2011 TRSF TO PASS-THRU</b>	<b>TOTAL 2011 TPO OPER BUDGET</b>	<b>TOTAL 2011 PDC OPER BUDGET</b>
34	<b>DEFERRED REVENUE</b>					
35	LJ Assess: Regional Water Programs		\$ 333,435	\$ 333,435		\$ -
36	LJ Assess: Regional Stormwater Programs		\$ 208,148	\$ 208,148		\$ -
37	LJ Assess: Stormwater Phase II		\$ 131,625	\$ 131,625		\$ -
38	LJ Assess: Regional Waste Water Programs		\$ 85,000	\$ 85,000		\$ -
39	LJ Assess: HR Clean Community System		\$ 40,000	\$ 40,000		\$ -
40	LJ Assess: Grease		\$ 439	\$ 439		\$ -
41	LJ Assess: Regional Bacteria Study		\$ 350,000	\$ 300,000		\$ 50,000
42	LJ Assess: Debris Management		\$ 10,000			\$ 10,000
43	<b>TOTAL DEFERRED REVENUE</b>		<b>\$ 1,158,647</b>	<b>\$ 1,098,647</b>	<b>\$ -</b>	<b>\$ 60,000</b>
44						
45	<b>TRANSPORTATION PASS-THROUGH FUNDING</b>					
46	Virginia DRPT		\$ 450,000	\$ 450,000		\$ -
47	<b>TOTAL TRANS PASS-THROUGH FUNDING</b>		<b>\$ 450,000</b>	<b>\$ 450,000</b>	<b>\$ -</b>	<b>\$ -</b>
48						
49	<b>TOTAL REVENUE</b>		<b>\$ 12,187,428</b>	<b>\$ 6,563,373</b>	<b>\$ 2,973,056</b>	<b>\$ 2,650,999</b>

50

51 **NOTE 1: FY2004 \$325,472; FY05-07 \$293,995; FY08 \$279,295; FY09 \$275,106; FY10 \$253,879**

52 **NOTE 2: Member Contributions of \$.82 per capita unchanged since 2006**

**HRPDC/HRTPO OPERATIONS BUDGET  
FISCAL YEAR 2011 PROPOSED**

	<b>2011 MATCH</b>	<b>2011 TOTAL BUDGET</b>	<b>2011 TRSF TO PASS-THRU</b>	<b>TOTAL 2011 TPO OPER BUDGET</b>	<b>TOTAL 2011 PDC OPER BUDGET</b>
<b>EXPENDITURES</b>					
53 Personnel		\$ 3,983,281		\$ 2,056,885	\$ 1,926,396
54 Space Costs		\$ 83,170		\$ 42,051	\$ 41,119
55 Insurance		\$ 26,000		\$ 13,146	\$ 12,854
56 Equipment Rental		\$ 1,400		\$ 708	\$ 692
57 Equipment Maintenance		\$ 9,655		\$ 4,123	\$ 5,532
58 Legal Services		\$ 67,500		\$ 30,000	\$ 37,500
59 Audit Services		\$ 35,000		\$ 17,696	\$ 17,304
60 Legislative Services		\$ 800		\$ 404	\$ 396
61 Outside Contracts		\$ 324,590		\$ 247,590	\$ 77,000
62 Pass Through Projects:					
63 Environmental		\$ 1,621,077	\$ 1,621,077		\$ -
64 HRLFP Disbursements		\$ 160,000	\$ 160,000		\$ -
65 MMRS		\$ 1,641,501	\$ 1,641,501		\$ -
66 UASI		\$ 1,578,155	\$ 1,578,155		\$ -
67 FRAC		\$ 682,885	\$ 682,885		\$ -
68 VICIPRSP		\$ 222,000	\$ 222,000		\$ -
69 ACAMS		\$ 148,214	\$ 148,214		\$ -
70 MCSC		\$ 59,541	\$ 59,541		\$ -
71 Transportation DRPT		\$ 450,000	\$ 450,000		\$ -
72 Office Services:					
73 Hardware/Furniture		\$ 41,375		\$ 21,639	\$ 19,736
74 Public Notices/Advertising		\$ 45,300		\$ 32,862	\$ 12,438
75 Software & Network Upgrades		\$ 152,792		\$ 78,783	\$ 74,009
76 Memberships		\$ 33,000		\$ 12,206	\$ 20,794
77 Recruitment/Relocation		\$ 5,000		\$ 2,506	\$ 2,494
78 Publications		\$ 4,975		\$ 2,916	\$ 2,059
79 Data Purchases		\$ 17,975		\$ 8,000	\$ 9,975
80 Training & Seminars		\$ 20,900		\$ 11,396	\$ 9,504
81 Professional Education		\$ 12,478		\$ 5,719	\$ 6,759
82 Travel & Conferences		\$ 56,000		\$ 28,101	\$ 27,899
83 ED Travel Allowance		\$ 7,200		\$ 3,640	\$ 3,560
84 Board Room Services		\$ 15,450		\$ 7,303	\$ 8,147
85 Printing		\$ 81,300		\$ 49,887	\$ 31,413
86 Telephone Services		\$ 57,600		\$ 27,449	\$ 30,151
87 Consumable Supplies		\$ 34,200		\$ 16,532	\$ 17,668
88 Postage		\$ 17,900		\$ 7,867	\$ 10,033
89 Photo Copies		\$ 95,050		\$ 63,848	\$ 31,202
90 Storage		\$ 6,820		\$ 2,275	\$ 4,545
91 Vehicle O&M		\$ 7,000		\$ 3,539	\$ 3,461
92 Reserves for Contingencies		\$ 340,344		\$ 168,929	\$ 171,415
93 Miscellaneous		\$ 10,000		\$ 5,056	\$ 4,944
94 Capital Assets & Real Property		\$ 30,000		\$ -	\$ 30,000
95 <b>TOTAL EXPENDITURES</b>		<b>\$ 12,187,428</b>	<b>\$ 6,563,373</b>	<b>\$ 2,973,056</b>	<b>\$ 2,650,999</b>