



**MEMORANDUM**

**TO:** Southwest Washington Regional Transportation Council Board of Directors  
**FROM:** Matt Ransom, Executive Director *MR*  
**DATE:** October 31, 2017  
**SUBJECT:** **CY 2018 RTC Budget - DRAFT**

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***AT A GLANCE - DISCUSSION***

*Implementation of the YR 2018 Work Program relies upon staffing and professional contracted and support services, of which anticipated revenues and expenses are summarized in the annual Budget. The 2018 Budget is balanced for anticipated revenues and expenditures and fully supports RTC operations and Work Program implementation.*

**INTRODUCTION**

RTC prepares a calendar year (CY) budget for financial planning purposes. The CY budget is consistent with the FY Unified Planning Work Program (UPWP) budget and supplemented to support *Emphasis Areas* and emergent activities. (Current UPWP: <http://rtc.wa.gov/programs/upwp/docs/UPWP2018-20170502-Adopted.pdf>)

Revenues, which fund RTC operations, include sources such as: federal and state grants, member agency assessments, and enterprise fees. (Table 2: Revenues)

Expenses for RTC are primarily related to: staffing, technical consulting services, and miscellaneous operations activities (ex. rent, support services, equipment, staff development, etc.). RTC's CY budget supports planned staffing and services levels. Select one-time expenses are planned where non-recurrent activities are expected. (Table 2: Expenses)

**YR 2017 BUDGET STATUS**

Expenditures through year end 2017 are expected to be at or below the CY 2017 budgeted amount. The expenditures reported to date allowed full progress of the 2017 Work Program.

Current projections estimate expending roughly \$100,000 less than the planned CY 2017 budget. Savings were incurred across all budget categories, except for Salaries and Benefits, which reflect adjustments associated with a staffing transition, position adjustment and one-time cross training expenses for the Senior Accountant position. (Table 1: CY 2017 Expenditures to Date)

The notable budget variance (savings) was due to deferred expenditures for professional services contracts related to the regional transportation planning and performance management programs. To date, all other planned activities and expenses are tracking at or below planned levels.

RTC's cash flow remains stable. However, there were select delays in reimbursement by a few federal grant programs. As a result RTC had to cover some of those Expenses due to delays in Federal grant payments. However, to date, most of these federal reimbursement funds have been released, or are expected to be released in the short term.

A summary of Expenditures to date (as of mid-October 2017) and forecast expenditures through December 31 are listed in Table 1.

**Table 1: CY 2017 Expenditures to Date (*thru October Claims*) and Projected Year-End**

<b>Regional Transportation Council</b>				
<b>Budget versus Forecast for 2017</b>				
		<b>2017</b>	<b>2017 Estimate</b>	<b>Difference</b>
<b>EXPENSES</b>		<b>Budget</b>	<b>Actual &amp; Forecast</b>	<b>Budget vs Forecast</b>
<b>Salaries</b>		<b>\$928,000</b>	<b>\$942,396</b>	<b>(14,396)</b>
<b>Benefits</b>		<b>464,000</b>	<b>\$473,731</b>	<b>(9,731)</b>
<b>Professional Services</b>		<b>468,200</b>	<b>371,791</b>	<b>96,409</b>
<b>Rent</b>		<b>69,000</b>	<b>64,964</b>	<b>4,036</b>
<b>Supplies and Equipment</b>		<b>32,000</b>	<b>22,132</b>	<b>9,868</b>
<b>Travel, Training and Staff Development</b>		<b>28,500</b>	<b>14,247</b>	<b>14,253</b>
<b>Communications</b>		<b>18,000</b>	<b>15,820</b>	<b>2,180</b>
<b>Other Expenses</b>		<b>10,500</b>	<b>9,259</b>	<b>1,241</b>
<b>TOTAL EXPENSES</b>		<b>\$2,018,200</b>	<b>\$1,914,340</b>	<b>103,860</b>

## **CY 2018 BUDGETING**

### Revenues:

Revenues on hand or projected to be granted to RTC during CY 2018 are balanced to projected expenses and will fully support RTC operations at current staffing levels and implementation of the 2018 Work Program. The CY 2018 Budget reflects State and Federal grants in hand or expected to be granted from Washington State DOT (WSDOT), Federal Highway Administration (FHWA), and Federal Transit Administration (FTA) are expected to be slightly below the 2017 levels. Member Dues assessment are also included. A nominal forecast of Enterprise revenue from third-parties is planned, and RTC management will consider additional consulting opportunities during the coming year.

Expenses:

The Budget reflects expense structures which implement RTC policies and procedures and program cost structures, including the CY 2018 forecast adjustments to the RTC's medical and benefit plans; changes in the employee compensation and classification program; and the indirect cost allocation plan for direct and indirect services purchased from Clark County. Staffing levels for CY 2018 remain unchanged, and new emphasis has been placed on procuring college student special projects and establishment of relationships with local university/college institutions.

Professional services are utilized to supplement RTC staffing and to provide specialty services on a limited scope/term basis. Several interlocal agreements and contracts are in place to provide select services (ex. information services, accounting/HR services, modeling services, legal services, treasury and investment, etc.) These planned expenses are incorporated into the RTC's budget reflective of current contract or agreement amounts.

RTC management intends to utilize discretionary professional services for project/program specific activities. Those services are solicited on a case-by-case basis in order to implement components of the technical work program. For CY 2018, a Consultant professional services budget of \$220,000 is planned; allocated to three distinct activities: VAST Program services; Traffic Counting services; and one-time professional services associated with the regional transportation planning and performance management program (described below).

Additionally, RTC's office space lease, at the County Public Service Center, is being re-drafted and the monthly rent is planned to increase by approximately \$10,000/year, an increase from roughly \$60,000 up to approximately \$70,000/year. This new recurring expense structure is reflected in the proposed CY 2018 Budget. However, the final lease cost will not be finalized until a suite delineation and lease are finalized.

One-time Expenses:

Professional Services: Consultant. Implementation of the CY 2018 Work Program may require technical and support services beyond the current scope and capacity of RTC employees. In those cases, RTC management intends to authorize solicitation of professional services to supplement RTC staffing and technical expertise. Specific areas of emphasis have been identified in the Work Program *Emphasis Areas*. A one-time planned expenditure of up to \$75,000 is set aside to help RTC staff implement major activities, such as: the Regional Transportation Plan for Clark County update, to support implementation of MAP-21 related performance measures, and to support miscellaneous and college student projects.

Office Move. RTC's lease at the County Public Service Center (PSC) expired on December 31, 2016. Since then, RTC has been occupying its leased space on a month-to-month basis. In the interim, Clark County has been re-evaluating its overall space needs and has since asked RTC to relocate its office suite within the PSC building. In conjunction with the office move, RTC management is planning for a one-time budget allocation of \$50,000, to accommodate office equipment and materials expenses which may need to be purchased in conjunction with the office move and set-up of the new office suite.

The CY 2018 Budget which implements the 2018 UPWP and Emphasis Areas work program is summarized in Table 2.

**Table 2: DRAFT CY 2018 Budget**

Regional Transportation Council						
Budget for 2018						
REVENUES						2018 Budget
<b>Unified Planning Work Program</b>						<b>1,383,000</b>
	FHWA					586,000
	FTA					326,000
	STP					171,000
	RTPO					300,000
<b>Vancouver Area Smart Trek (STP)</b>						<b>205,000</b>
<b>Other Local</b>						<b>13,000</b>
<b>Human Services Trans Plan</b>						<b>40,000</b>
<b>Other Miscellaneous Projects</b>						<b>5,000</b>
<b>Local MPO Dues</b>						<b>\$322,315</b>
<b>TOTAL REVENUES</b>						<b>\$1,968,315</b>
EXPENSES				2017 Budget	2018 Budget	
<b>Salaries</b>				<b>\$928,000</b>	<b>\$965,856</b>	
<b>Benefits</b>				<b>464,000</b>	<b>497,959</b>	
<b>Professional Services</b>				<b>468,200</b>	<b>302,000</b>	
	Consultant			376,200		220,000
	Information Services			8,000		6,000
	Modeling Services			15,000		15,000
	Accounting/HR Services			25,000		23,000
	State Audit			14,000		10,000
	Legal Services			20,000		18,000
	Other Professional Services			10,000		10,000
<b>Rent</b>				<b>69,000</b>	<b>77,500</b>	
	Office			62,000		72,000
	Copy Machine/Other			7,000		5,500
<b>Supplies and Equipment</b>				<b>32,000</b>	<b>24,700</b>	
	Office and Computer Supplies			12,000		9,000
	Software/Licenses			10,000		8,700
	Computer and Office Equipment			10,000		7,000

**Table 2: Continued**

<b>Travel, Training and Staff Development</b>				<b>28,500</b>	<b>25,500</b>
Travel				13,500	13,000
Registration/Tuition				10,000	7,500
Dues/Memberships				5,000	5,000
<b>Communications</b>				<b>18,000</b>	<b>16,100</b>
Telephone/FAX/Postage				4,000	2,300
Other Communication (CVTV)				14,000	13,800
<b>Other Expenses</b>				<b>10,500</b>	<b>58,700</b>
Advertising				2,500	2,200
Insurance				5,500	5,500
Miscellaneous				2,500	51,000
<b>TOTAL EXPENSES</b>				<b>\$2,018,200</b>	<b>\$1,968,315</b>

**NEXT STEPS**

Following the November Board meeting, staff will finalize the YR 2018 RTC Work Program and accompanying RTC YR 2018 Budget process and present both for adoption at the December 5 RTC Board meeting.