

MEMORANDUM

DATE: March 14, 2007
TO: PPACG Board of Directors
FROM: Margaret Shelton, Controller
THROUGH: Robert MacDonald, Executive Director
SUBJECT: FY-2007 PPACG Budget Adjustment

ACTION REQUESTED: Review and Approve

SUMMARY:

The 2007 Pikes Peak Area Council of Governments' budget was adopted by the Board of Directors in December 2006. Since that adoption by the PPACG Board, we have progressed in the development of the Fort Carson Growth Plan with our regional partners on the Colorado Defense Mission Coalition (CDMC) in particular the Colorado Springs Economic Development Corporation (EDC) and Chamber of Commerce. Through these discussions we have identified the need for additional consultant work that would be beneficial to the development of the Fort Carson Growth Plan and implementations of certain aspects of the Plan's recommendations. The EDC had employed a consultant on a limited basis for 18 months prior to PPACG involvement with the Fort Carson Growth Impact Plan. The EDC will continue their financial contribution for the additional consultant work. PPACG staff is proposing to be a financial partner with the EDC to increase this level of work to help with the development and implementation of components of the Fort Carson Growth Plan.

Within the existing 2007 PPACG Budget, we are proposing to shift \$35,000 to the Military Impact Planning Program from the Administrative Services Program. The total amount budgeted for all PPACG Program contracted services for FY-2007 increases by \$35,000 to \$1,829,086. The one-time \$35,000 reduction in the *Capital Replacement/Reserve* line item results in a revised total of \$67,412. We anticipate accommodating the one-time \$35,000 reduction in the *Capital Replacement/Reserve* with two components. First, we will look for cost savings through actual bids for projects such as the painting and carpeting of office space and the parking lot improvements that were estimated during the budget development process. Second, we will delay, if necessary, a portion of the allocation to our capital reserve account for those long-term expenditures for major capital purchases such as roof repairs, HVAC systems, telephone and computer systems, etc.

PPACG staff has prepared a revised FY-2007 Budget Table to incorporate these changes to the revenue and expense line items. The affected programs and the changes to them are shown on Attachment 1, as compared to the current budget table, Attachment 2.

Approval of this revision within the overall budget through the FY-2007 Budget Table does not require a revised FY-2007 Budget Resolution given the fact that the changes to the individual line items do not affect the total FY-2007 budget amount approved in December 2006.

PREVIOUS BOARD ACTION:

The FY-2007 Pikes Peak Area Council of Governments' annual budget and corresponding Budget Table were adopted by the Board of Directors in December 2006.

BACKGROUND:

In our review of the overall needs of the Military Impact Planning Program, we identified additional consultant work to be performed through the EDC that would be beneficial to the Fort Carson Growth Plan.

FINANCIAL IMPLICATIONS:

The FY-2007 Annual Budget total revenues and expenditures remain unchanged with reallocation between the Administrative Services and Military Impact Planning Programs.

STAKEHOLDER PROCESS:

PPACG staff worked with the Colorado Springs EDC, Chamber of Commerce and CDMC Steering Committee to identify the additional contracted services to benefit the Fort Carson Growth Plan.

ALTERNATIVES:

The PPACG Board can:

1. Approve the Budget Adjustment
2. Disapprove the Budget Adjustment
3. Modify and Approve the Budget Adjustment

RECOMMENDATION:

PPACG staff recommends that the Board of Directors approve the adjustments to the two line items within the FY-2007 PPACG Budget.

PROPOSED MOTION:

Approve the revisions to the two line items within the FY-2007 PPACG annual budget.

ATTACHMENTS:

1. 2007 Revised Annual Budget Table
2. 2007 Annual Budget Table