



**PIKES PEAK AREA COUNCIL OF GOVERNMENTS  
2015 BUDGET DETAILS**

**Approved November 12, 2014**

The Fiscal Year (FY) 2015 Pikes Peak Area Council of Governments budget is attached for the Board’s review. The companion budget table for FY 2015 contains five line items of revenue (rows 1-5) and 14 lines of expenditures (rows 6-19). In the descriptions below, each line item number corresponds to the row number in the budget table.

**A. REVENUES**

PPACG total revenues for FY 2015 are anticipated to be \$6,992,787. This revenue estimate is 4.5 percent or \$303,833 higher than the amount estimated in the amended FY 2014 budget approved in November 2014. The increase in the forecast is primarily due to an increase in Pass-Through Revenues estimated to be granted through the Colorado Department of Human Services. Other PPACG revenue categories include: 1) Federal, State, and Foundation Grants; 2) Member Dues; 3) Special District Revenues; which did not change significantly from the 2014 Budget.

**1. Federal, State, and Foundation Grants: \$5,982,729 (85.6% of total budget)**

PPACG estimates it will receive a total of \$5,982,729 in revenue from Federal, State, and Foundation Grants and “pass-through” funds targeted for specific programs. The grant money that is “passed-through” directly to PPACG’s subcontractors is entirely contained in the Area Agency on Aging Department. Total Federal, State, and Foundation grants are estimated to be \$363,572 higher than in the approved 2014 budget, and this continues to represent the largest share of our revenue in 2015. Adjusting for differences in Federal and State fiscal calendars, Table 1 shows our revised estimated grants for the 2015 calendar year.

**Table 1 - 2015 Grants for PPACG Programs**

<b>PROGRAM AREA</b>	<b>2015 Proposed Budget</b>	<b>2014 Budget</b>
<b>Area Agency on Aging Subtotal</b>	<b>\$4,238,677</b>	<b>\$3,753,989</b>
Colorado Department of Human Services	\$2,286,802	\$2,114,977
Federal Older Americans Act Funding	\$1,756,782	\$1,139,012
Colorado Health Foundation	\$195,093	\$500,000
<b>Possible DOLA Grant for various programs</b>	<b>\$150,000</b>	<b>\$0</b>
<b>Robert Wood Johnson Foundation Grant</b>	<b>\$0</b>	<b>\$75,000</b>
<b>Environmental Program Subtotal</b>	<b>\$48,800</b>	<b>\$110,300</b>
State Water Quality Control Division 604(b) Grant	\$10,800	\$10,300
E. Coli Grant	\$38,000	\$0
DOLA Planning grant	\$0	\$100,000
<b>Insurance Program</b>	<b>\$393,626</b>	<b>\$370,448</b>
Connect For Health Colorado	\$322,626	\$322,952
SHIP	\$71,000	\$47,496
<b>Transportation Program Subtotal</b>	<b>\$1,151,623</b>	<b>\$1,309,417</b>
Consolidated FHWA/FTA Planning Grant	\$1,151,623	\$1,179,417
SHRP2 Implementation of Eco-logical Framework	\$0	\$130,000
<b>TOTAL GRANTS</b>	<b>\$5,982,726</b>	<b>\$5,619,154</b>

Grants in the Area Agency on Aging program are estimated to increase by 12.9 percent or \$484,688 above the FY 2014 budget. This is primarily due to an increase in funding at the State level for funding of pass-through expenditures to human services subcontractors.

Grants in the Environmental Planning program are in support of our responsibilities for the Section 208 Clean Water Act, Air Quality Planning activities, and assisting in the Transportation Planning process.

Grant income in the Transportation Planning Program has decreased \$157,794 or 12 percent in the draft 2015 budget as compared to the 2014 budget. In FY 2013, the Federal Highway Administration awarded PPACG a SHRP2 grant for \$218,000, of which \$130,000 was estimated to be expended in FY 2014 for “eco-logical” planning implementation – defined as “a guide to making infrastructure more sensitive to wildlife and ecosystems through greater interagency cooperative conservation.” The SHRP2 grant is complete and there is no funding in FY 2015, which accounts for the decrease in the FY 2015 budget.

## **2. Member Dues: \$410,000 (5.9%)**

Under this balanced budget scenario we are not requesting an increase in dues. Member dues continue to contribute an important, yet minor share (5.9 percent) of PPACG’s overall internal program revenues. Member Dues did not increase in the FY 2015 draft budget, which correlates to the stable amount of estimated grant income and matching requirements. Please see Table 2 on the next page for the actual dues for each member government in FY 2015. Table 2 also shows the assessed valuation of members’ property for 2013, the most recent complete year’s data available. The share of dues each entity pays is based on its share of total assessed valuation for either counties or cities and towns. As the assessed valuation changes from year to year, so does each member’s share of dues.

## **3. Special District Revenues \$455,616 (6.5%)**

In FY 2015, PPACG is performing administrative functions for the Pikes Peak Rural Transportation Authority. Revenues are derived from the contract with the Pikes Peak RTA. There is an increase of \$11,646 or 2.6 percent due to an operating expense increases.

## **4. Other Revenues \$144,445 (2.1%)**

This category includes revenues from a number of categories, such as:

- advertising revenue generated by the Pikes Peak Area Agency on Aging to help print the annual edition of the *Yellow Book*,
- revenue received from program activities and donations,
- interest earnings on bank accounts, and
- local support

The decrease in revenue of \$71,386 or 33.1 percent in this category is primarily from a decrease in matching funds received through The National Homeland Defense Foundation for the Robert Wood Johnson Foundation grant, awarded for Peak Military Care Network operations. The grant concluded in December 2014.

## **5. Total Revenues: \$6,992,787**

Total revenues for FY 2015 are forecasted to be \$6,992,787: composed of 85.6 percent Federal, State, and Foundation Grants, 5.9 percent member dues, 6.5 percent from Special District income, and 2.1 percent from several other revenue categories.

**Table 2**  
**2015 Member Government Dues**

MEMBER GOVERNMENT	2012 ASSESSED VALUATION	SHARE OF ASSESSED VALUATION	MEMBER DUES 2014	2013 ASSESSED VALUATION	SHARE OF ASSESSED VALUATION	MEMBER DUES 2015
<b>COUNTIES</b>						
El Paso	\$6,334,487,370	86.7%	\$177,637	\$6,337,964,970	87.1%	\$178,627
Park	\$444,829,724	6.1%	\$12,474	\$394,207,597	5.4%	\$11,110
Teller	\$530,936,110	7.3%	\$14,889	\$541,545,820	7.5%	\$15,263
Total Counties:	\$7,310,253,204	100.0%	\$205,000	\$7,273,718,387	100.0%	\$205,000
<b>MUNICIPALITIES</b>						
Alma	\$6,423,360	0.1%	\$256	\$6,437,530	0.1%	\$255
Calhan	\$5,551,320	0.1%	\$221	\$5,474,200	0.1%	\$217
Colorado Springs	\$4,574,359,280	88.9%	\$182,225	\$4,608,210,390	89.0%	\$182,524
Cripple Creek	\$67,043,240	1.3%	\$2,671	\$62,132,220	1.2%	\$2,461
Fairplay	\$14,842,887	0.3%	\$591	\$14,068,552	0.3%	\$557
Fountain	\$160,259,920	3.1%	\$6,384	\$166,724,010	3.2%	\$6,604
Green Mountain Falls	\$8,638,930	0.2%	\$344	\$8,545,990	0.2%	\$338
Manitou Springs	\$59,597,430	1.2%	\$2,374	\$59,120,270	1.1%	\$2,342
Monument	\$108,796,480	2.1%	\$4,334	\$110,631,610	2.1%	\$4,382
Palmer Lake	\$27,931,350	0.5%	\$1,113	\$27,307,480	0.5%	\$1,082
Ramah	\$414,400	0.01%	\$17	\$428,950	0.01%	\$17
Victor	\$3,374,140	0.1%	\$134	\$2,653,940	0.1%	\$105
Woodland Park	\$108,846,960	2.1%	\$4,336	\$103,928,170	2.0%	\$4,116
Total Municipalities:	\$5,146,079,697	100.0%	\$205,000	\$5,175,663,312	100.0%	\$205,000
<b>GRAND TOTAL:</b>	<b>\$12,456,332,901</b>		<b>\$410,000</b>	<b>\$12,449,381,699</b>		<b>\$410,000</b>

**B. EXPENDITURES**

**6. Personnel Costs: \$2,896,486 (41.4% of total budget)**

Personnel costs include salary and benefits for PPACG employees. Personnel costs are estimated to be 2.2 percent or \$62,667 more than the FY 2014 budget. As is typical for our quasi-public agency, PPACG’s personnel costs are largely funded (80-90 percent) through Federal and State grants. Benefits include payroll taxes, retirement contributions, and insurance programs: health, dental, vision, life, accidental death and dismemberment, and short- and long-term disability. In this budget scenario, we are requesting to budget the same 36.85 FTE positions approved previously. The Board approved a 2 percent salary scale increase at the November 12, 2014 board meeting.

**7. Contract Services: \$3,689,089 (52.8%)**

Contract services constitute a large portion of our expenditures and include monies to fund specialized services not provided by our staff. This category includes Federal and State grant money that is “passed-through” to PPACG’s subcontractors in the Area Agency on Aging (AAA) to fund more than 20 separate service programs. Additionally, this category includes auditing fees, legal fees, and contract labor in the

Administration Department, and printing and graphics services paid to vendors. Contract services are higher than the FY 2014 budget by \$228,085 or 6.6 percent, largely due to increased funding from Area Agency on Aging grants that are passed through to sub-contractors.

**8. Conferences, Education, Training, and Travel: \$69,454 (1.0%)**

This includes expenses for conference registration fees and associated employee and Board travel expenses, both in-state and out-of-state, including reimbursement for mileage, per diem, meals, airfare, and hotels. This year, PPACG is budgeting for one Board member to attend NARC's annual conference. This category also includes in-house luncheons and all registration fees related to staff training or education, as well as all travel expenses for PPACG's three Ombudsmen, who are visiting facilities in the region nearly 90 percent of their time. This category is \$5,096 or 6.8 percent lower than the FY 2014 budget primarily due to the end of the Military Impact Planning grant, which required travel to Washington D.C and attendance at several conferences.

**9. Office Supplies: \$35,308 (0.5%)**

This includes office supplies, computers, equipment and furniture (costing less than \$2,500), and coffee and water service for the office. Office supplies are forecasted to decrease by \$3,012 or 7.9 percent in this budget.

**10. Communications: \$21,859 (0.3%)**

This includes all of the telephone charges in the building, including cell phone charges for PPACG's three Ombudsmen and the Executive Director, and internet connection fees. Communication costs are forecasted to decrease by \$8,852 or 28.8 percent due to the use of e-mail versus heavy telephone use.

**11. Support Services: \$33,534 (0.5%)**

Support services include postage, advertising, and insurance costs. Insurance includes liability coverage for the building and contents, errors and omissions coverage, and workers' compensation. Support services are estimated to increase by \$10,844 or 48.1 percent. This is primarily due to increases in postage and insurance.

**12. Professional Support: \$24,057 (0.3%)**

This includes dues for membership in various professional organizations for our staff as well as for our organization – National Association of Regional Councils (NARC), Mountain States Employers Council (MSEC), the Association of Metropolitan Planning Organizations (AMPO), and the Colorado Association of Regional Organizations (CARO).

This also includes subscription fees to various periodicals, and the purchase of books and journals. Professional Support is higher by \$2,357 or 10.9 percent.

**13. Equipment Maintenance and Rental: \$76,000 (1.1%)**

This includes maintenance agreements for all office equipment, computer equipment, software, and rental fees for the copiers. FY 2015 Budget is \$10,800 over the 2014 budget due to increases in our equipment maintenance agreements for copiers, server and software updates.

**14. Building Maintenance, Utilities, and Depreciation: \$111,000 (1.6%)**

This includes maintenance expenses for the office building, including janitorial, landscaping, trash removal, and HVAC services and repairs; utilities expenses (water, sewage, electricity); and building and equipment depreciation. This amount increases by \$6,000 or 5.7 percent.

**15. Equipment: \$6,000 (0.1%)**

This includes funding computer software for the PPACG programs costing under \$2,500. This remains the same as the FY 2014 budget.

**16. Capital Replacement Reserve: \$30,000 (0.4%)**

In the last few years, PPACG implemented a number of capital improvements that have reduced the amount of funds set aside for major capital expenses. In 2011, the flat roof was resurfaced due to many leaks and mold issues. In 2012, the boiler was replaced. These major investments in future PPACG budgets include capital items such as HVAC equipment, building safety items, landscaping systems maintenance, sidewalk and parking lot maintenance. In 2015, approximately \$20,000 is proposed to be expended on HVAC improvements to refine temperature control in the building.

Following the recommendation of the Board of Directors during prior budget discussions, staff has developed a list of equipment that needs to be replaced on a regular basis. Examples include computer systems, computer system software, printers, computer network servers, plotters, scanners, and telephone systems. These items have differing life expectancies. For 2015, an estimated \$10,000 of capitalized equipment is needed.

**17. Total Direct Expenses: \$6,992,787 (100.0%)**

Total expenses for the FY 2015 draft budget are forecast to be \$6,992,787, which represents a \$303,833 or a 4.5 percent increase from the FY 2014 approved budget.

PIKES PEAK AREA COUNCIL OF GOVERNMENTS  
DRAFT JANUARY - DECEMBER 2015 BUDGET

	AREA AGENCY ON AGING	ENVIRON- MENTAL	INSURANCE PROGRAM	POSSIBLE DOLA GRANT	TRANSPOR- TATION PLANNING	PIKES PEAK RTA	LOCAL RESOURCES/ BUILDING	INDIRECT/ ADMNSTN	ADMIN SERVICES	2015 BUDGET	2014 BUDGET	% DIFF.	\$ DIFF.	
<b>A. REVENUES:</b>														
1	Federal/State/Other Grants	4,238,933	48,800	393,952	150,000	1,151,623	0	0	0	5,983,308	5,619,154	6.5%	364,154	
2	Member Dues	86,477	84,048	5,972	0	205,903	0	27,600	0	27,600	410,000	410,000	0.0%	0
3	Special District Revenues	0	0	0	0	0	458,672	0	0	458,672	443,970	3.3%	14,702	
4	Other Revenues	35,044	25,000	82,000	0	0	0	2,400	0	2,400	144,444	215,830	-33.1%	(71,386)
5	<b>TOTAL REVENUES</b>	<b>4,360,454</b>	<b>157,848</b>	<b>481,924</b>	<b>150,000</b>	<b>1,357,526</b>	<b>458,672</b>	<b>30,000</b>	<b>0</b>	<b>30,000</b>	<b>6,996,424</b>	<b>6,688,954</b>	<b>4.6%</b>	<b>307,470</b>
<b>B. EXPENDITURES:</b>														
6	Personnel Costs	782,301	94,293	345,089	30,000	774,821	339,620	0	551,186	551,186	2,917,310	2,833,819	2.9%	83,491
7	Contract Services	3,258,918	30,500	754	109,484	221,995	0	10,000	40,250	55,250	3,671,901	3,461,005	6.1%	210,897
8	Conferences, Education & Training / Travel	21,378	0	6,476	0	32,600	0	0	9,000	11,000	69,454	74,550	-6.8%	(5,096)
9	Office Supplies	10,938	0	2,370	0	3,000	0	0	19,000	19,000	35,308	38,320	-7.9%	(3,012)
10	Communications	2,861	0	0	0	0	0	0	19,000	19,000	21,861	30,711	-28.8%	(8,850)
11	Support Services	5,769	0	1,765	0	1,000	0	0	25,000	25,000	33,534	22,650	48.1%	10,884
12	Professional Support	4,057	0	0	0	7,500	0	0	12,500	12,500	24,057	21,700	10.9%	2,357
13	Equipment Maintenance / Rental	0	0	2,000	0	45,000	0	0	29,000	29,000	76,000	65,200	16.6%	10,800
14	Building Maintenance / Utilities / Depreciation	0	0	0	0	0	0	0	111,000	111,000	111,000	105,000	5.7%	6,000
15	Equipment	0	0	2,500	0	0	0	0	3,500	3,500	6,000	6,000	0.0%	0
16	Capital Replacement/Reserve	0	0	0	0	0	0	20,000	10,000	30,000	30,000	30,000	0.0%	0
17	<b>TOTAL DIRECT EXPENSES</b>	<b>4,086,222</b>	<b>124,793</b>	<b>360,954</b>	<b>139,484</b>	<b>1,085,916</b>	<b>339,620</b>	<b>30,000</b>	<b>829,436</b>	<b>859,436</b>	<b>6,996,425</b>	<b>6,688,954</b>	<b>4.6%</b>	<b>307,471</b>
18	INDIRECT COSTS ALLOCATION	274,233	33,054	120,970	10,516	271,610	119,052	0	(829,436)	(829,436)	0	0		0
19	<b>TOTAL EXPENDITURES</b>	<b>4,360,454</b>	<b>157,847</b>	<b>481,924</b>	<b>150,000</b>	<b>1,357,526</b>	<b>458,672</b>	<b>30,000</b>	<b>(0)</b>	<b>30,000</b>	<b>6,996,425</b>	<b>6,688,954</b>	<b>4.6%</b>	<b>307,471</b>
<b>C. 20 NET: REVENUES OVER EXPENDITURES</b>														
		0	0	0	0	0	0	0	0	0	(0)	0	(0)	
<b>USE OF PRIOR YEAR FUND BALANCE</b>														
													0	
<b>NET AFTER FUND BALANCE APPROPRIATION</b>														
		0	0	0	0	0	0	0	0	0	(0)	0	(0)	
<b>D. 21 AGENCY INDIRECT COSTS RATE BUDGET</b>														
		36.32%												