

**PIKES PEAK AREA COUNCIL OF GOVERNMENTS
2016 BUDGET DETAILS**

The Fiscal Year (FY) 2016 Pikes Peak Area Council of Governments budget is attached for the Board’s review. The companion budget table for FY 2016 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 2016 are anticipated to be \$8,560,213. This revenue estimate is 6.8 percent or \$547,815 higher than the amount estimated in the amended FY 2015 budget. The increase in the forecast is primarily due to increases in Member Dues, Pass-Through Revenues estimated to be granted through the Colorado Department of Human Services and contract Project Revenue. Other PPACG revenue categories include: 1) Federal, State, and Foundation Grants; and 2) Special District Revenues; which did not change significantly from the 2015 Amended Budget.

1. Federal, State, and Foundation Grants: \$7,316,234 (85.5% of total budget)

PPACG estimates it will receive a total of \$7,316,234 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. Total Federal, State, and Foundation grants are estimated to be \$313,896 higher than in the approved 2015 final budget, and this continues to represent the largest share of our revenue in 2016. Adjusting for differences in federal and state fiscal calendars, Table 1 shows our revised estimated grants for the 2016 calendar year.

Table 1 - 2016 grants for PPACG programs

PROGRAM AREA	2016 Proposed Budget	2015 Amended Budget
Area Agency on Aging subtotal	\$5,420,234	\$5,165,371
Colorado Department of Human Services	\$2,680,434	\$2,431,778
Federal Older Americans Act Funding	\$1,989,800	\$1,834,500
Colorado Health Foundation	\$750,000	\$899,093
Possible DOLA Grant for various programs	\$100,000	\$75,000
OEA-Regional Joint Land Use Study	\$440,000	\$145,000
Environmental Program Subtotal	\$11,000	\$48,800
State Water Quality Control Division 604(b) Grant	\$11,000	\$10,800
Other State Environmental Program Grants	\$0	\$38,000
Insurance Program	\$145,000	\$411,280
Connect For Health Colorado	\$0	\$322,626
SHIP	\$145,000	\$88,654
Transportation Program Subtotal	\$1,200,000	\$1,156,887
Consolidated FHWA/FTA Planning Grant	\$1,200,000	\$1,156,887
TOTAL GRANTS	\$7,316,234	\$7,002,338

Grants in the Area Agency on Aging program are estimated to increase by 4.9 percent or \$254,864 above the FY 2015 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 increased \$43,113 or 3.7 percent, in the draft 2016 budget as compared to the 2015 budget.

2. Member Dues: \$458,000 (5.4%)

Member dues continue to contribute an important, yet minor share (5.4 percent) of PPACG's overall internal program revenues. Member dues increased \$48,000 in the FY 2016 draft budget, which was approved by the PPACG Board in June 2015 for submission to member governments for approval during their respective budget processes. Please see Table 2 on the next page for the dues allocation for each member government in FY 2016. Table 2 also shows the assessed valuation of members' property for 2014, 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 \$470,765 (5.5%)

In FY 2016, 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 \$15,059, or 3.3 percent due to operating expense increases.

4. Other Revenues \$144,445 (3.7%)

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

- Advertising revenue generated by the 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
- Local support

The increase in revenue of \$170,860, or 118.3 percent, in this category is primarily from an increase in matching funds in the Area Agency on Aging for the joint call center and for the insurance program.

5. Total Revenues: \$8,560,213

Total revenues for FY 2016 are forecasted to be \$8,560,213:

- 85.5 percent federal, state, and foundation grants
- 5.4 percent member dues
- 5.5 percent from special district income
- 3.7 percent from several other revenue categories

Table 2
2016 Member Government Dues

MEMBER GOVERNMENT	2013 ASSESSED VALUATION	SHARE OF ASSESSED VALUATION	MEMBER DUES 2015	2014 ASSESSED VALUATION	SHARE OF ASSESSED VALUATION	PROPOSED MEMBER DUES 2016
COUNTIES						
El Paso	\$6,337,964,970	87.1%	\$178,627	\$6,439,985,430	87.4%	\$200,258
Park	\$394,207,597	5.4%	\$11,110	\$396,550,217	5.4%	\$12,331
Teller	\$541,545,820	7.4%	\$15,263	\$527,764,970	7.2%	\$16,411
Total Counties:	\$7,273,718,387	100.0%	\$205,000	\$7,364,300,617	100.0%	\$229,000
MUNICIPALITIES						
Alma	\$6,437,530	0.1%	\$255	\$6,404,220	0.1%	\$279
Calhan	\$5,474,200	0.1%	\$217	\$5,363,150	0.1%	\$234
Colorado Springs	\$4,608,210,390	89.0%	\$182,524	\$4,678,624,800	89.1%	\$203,955
Cripple Creek	\$62,132,220	1.2%	\$2,461	\$62,469,340	1.2%	\$2,723
Fairplay	\$14,068,552	0.3%	\$557	\$14,068,552	0.3%	\$613
Fountain	\$166,724,010	3.2%	\$6,604	\$173,869,420	3.3%	\$7,579
Green Mountain Falls	\$8,545,990	0.2%	\$338	\$8,513,770	0.2%	\$371
Manitou Springs	\$59,120,270	1.1%	\$2,342	\$59,044,270	1.1%	\$2,574
Monument	\$110,631,610	2.1%	\$4,382	\$110,019,740	2.1%	\$4,796
Palmer Lake	\$27,307,480	0.5%	\$1,082	\$27,324,800	0.5%	\$1,191
Ramah	\$428,950	0.01%	\$17	\$518,380	0.01%	\$23
Victor	\$2,653,940	0.1%	\$105	\$2,639,530	0.1%	\$115
Woodland Park	\$103,928,170	2.0%	\$4,116	\$104,272,860	2.0%	\$4,546
Total Municipalities:	\$5,175,663,312	100.0%	\$205,000	\$5,253,132,832	100.0%	\$229,000
GRAND TOTAL:	\$12,449,381,699		\$410,000	\$12,617,433,449		\$458,000

B. EXPENDITURES

6. Personnel Costs: \$3,311,672 (38.7% of total budget)

Personnel costs include salary and benefits for PPACG employees. Personnel costs are estimated to be 5.3 percent or \$165,998 more than the final FY 2015 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, we are requesting the same 38 positions approved in the amended 2015 budget in June. A majority of the increase in the salary line item is due to having a full year of the Joint Land Use Study personnel included in the 2016 budget. At the time of the 2015 amendment, we estimated that the Joint Land Use personnel and a few Area Agency on Aging personnel would start after mid-year. We are not requesting a cost-of-living adjustment due to inflation.

7. Contract Services: \$4,802,181 (56.1%)

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 to fund more than 20 separate service programs and Transportation Planning contracts for modeling, mapping, and other services. Additionally, this category includes auditing fees, legal fees, and contract labor in Administration, and printing and graphics services paid to vendors. Contract services are higher than the FY 2015 budget by \$342,670 or 7.7 percent, largely due to increased funding from Area Agency on Aging grants that are passed through to subcontractors and the addition of the estimated subcontractor costs associated with the Joint Land Use Study.

8. Conferences, Education, Training, and Travel: \$85,900 (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 the National Association of Regional Councils annual conference. This category also includes registration fees for 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 \$16,446 or 23.7 percent higher than the FY 2015 budget primarily due to the travel related to the startup of the Joint Land Use Study, which has some required travel to Washington D.C and attendance at several conferences.

9. Office Supplies: \$35,950 (0.4%)

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 increase by \$642, or 1.8 percent.

10. Communications: \$27,204 (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. It includes advertising for public meetings and job openings. Communication costs are forecasted to increase by \$5,343, or 24.4 percent, for forecasted public meetings pertaining to the Joint Land Use grant.

11. Support Services: \$38,499 (0.4%)

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 \$4,965, or 14.8 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 – National Association of Regional Councils, Mountain States Employers Council, the Association of Metropolitan Planning Organizations, and the Colorado Association of Regional Organizations.

This also includes subscription fees to various periodicals, and the purchase of books and journals. Professional Support is estimated to be the same as 2015.

13. Equipment Maintenance and Rental: \$77,000 (.9%)

This includes maintenance agreements for all office equipment, computer equipment, software, and rental fees for the copiers. FY 2016 Budget is \$1,000, or 1.3 percent, over the 2015 budget due to increases in our equipment maintenance agreements for copiers, server, and software updates.

14. Building Maintenance, Utilities, and Depreciation: \$111,000 (1.3%)

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 is estimated to remain the same as 2015.

15. Equipment: \$16,750 (0.2%)

This includes funding computer software for the PPACG programs, costing under \$2,500. This will increase by \$10,750, or 179.2 percent, primarily for the costs of purchasing equipment for the Joint Land Use Study.

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, and sidewalk and parking lot maintenance.

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 2016, an estimated \$10,000 of capitalized equipment is needed.

17. Total Direct Expenses: \$8,560,213 (100.0%)

Total expenses for the FY 2016 draft budget are forecast to be \$8,560,213, which represents a \$547,815, or 6.8 percent increase from the FY 2015 approved budget.

PIKES PEAK AREA COUNCIL OF GOVERNMENTS
DRAFT JANUARY - DECEMBER 2016 BUDGET

	AREA AGENCY ON AGING	ENVIRON- MENTAL	INSURANCE PROGRAM	REGIONAL JOINT LAND USE	POSSIBLE DOLA GRANT	TRANSPOR- TATION PLANNING	PIKES PEAK RTA	LOCAL RESOURCES/ BUILDING	INDIRECT/ ADMNSTN	ADMIN SERVICES	2016 BUDGET	2015 AMENDED BUDGET	% DIFF.	\$ DIFF.
A. REVENUES:														
1	5,420,234	11,000	145,000	440,000	100,000	1,200,000	0	0	0	0	7,316,234	7,002,338	4.5%	313,896
2	126,051	89,196	69,581	5,228	15,281	117,943	7,120	27,600	0	27,600	458,000	410,000	11.7%	48,000
3	0	0	0				470,675	0	0	0	470,675	455,616	3.3%	15,059
4	184,255	0	105,000	23,649	0	0	0	2,400	0	2,400	315,304	144,444	118.3%	170,860
5	5,730,540	100,196	319,581	468,877	115,281	1,317,943	477,795	30,000	0	30,000	8,560,213	8,012,398	6.8%	547,815
B. EXPENDITURES:														
6	906,627	74,164	232,726	271,705	60,000	787,856	355,789	0	622,805	622,805	3,311,672	3,145,674	5.3%	165,998
7	4,464,306	0	1,350	70,000	34,706	177,819	0	10,000	44,000	39,000	4,802,181	4,459,511	7.7%	342,670
8	25,900	600	5,000	7,000	0	28,100	0	0	19,300	19,300	85,900	69,454	23.7%	16,446
9	3,250	0	200	2,000		1,000	0	0	29,500	29,500	35,950	35,308	1.8%	642
10	7,210	0	500	5,000			0	0	14,494	14,494	27,204	21,861	24.4%	5,343
11	10,000	0	0	5,000			0	0	23,499	23,499	38,499	33,534	14.8%	4,965
12	2,250	0	0	0	0	8,000	0	0	13,807	13,807	24,057	24,057	0.0%	0
13	0	0	0	5,000		45,000	0	0	27,000	27,000	77,000	76,000	1.3%	1,000
14	100	0	0	0	0	0	0	0	110,900	110,900	111,000	111,000	0.0%	0
15	0	0	0	10,000			0	0	6,750	6,750	16,750	6,000	179.2%	10,750
16	0	0	0					20,000	10,000	30,000	30,000	30,000	0.0%	0
17	5,419,643	74,764	239,776	375,705	94,706	1,047,775	355,789	30,000	922,055	952,055	8,560,213	8,012,398	6.8%	547,815
18	310,897	25,432	79,805	93,172	20,575	270,168	122,006	0	(922,055)	(922,055)	0	0		0
19	5,730,540	100,196	319,581	468,877	115,281	1,317,943	477,795	30,000	(0)	30,000	8,560,213	8,012,398	6.8%	547,815
C. 20 NET: REVENUES OVER EXPENDITURES														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USE OF PRIOR YEAR FUND BALANCE														
														0
NET AFTER FUND BALANCE APPROPRIATION														
	0	0	0		0	0	0	0	0	0	0	0	0	0
D. 21 AGENCY INDIRECT COSTS RATE BUDGET														
	35.41%													