



**PIKES PEAK AREA COUNCIL OF GOVERNMENTS
2017 BUDGET DETAILS**

The Fiscal Year (FY) 2017 Pikes Peak Area Council of Governments budget is attached for the Board's review. The companion budget table for FY 2017 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 2017 are anticipated to be \$7,515,458. This revenue estimate is 12.2 percent or \$1,044,756 lower than the amount estimated in the FY 2016 budget. The decrease in the forecast is primarily due to decreases in, Pass-Through Revenues granted through the Colorado Department of Human Services, Colorado Health Foundation Grant and contract Project Revenue. Other PPACG revenue categories include: 1) Member Dues which did not increase from 2016 Budget and 2) Special District Revenues; which did not change significantly from the 2016 Budget.

1. Federal, State, and Foundation Grants: \$6,344,942 (84.4% of total budget)

PPACG estimates it will receive a total of \$6,344,942 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 \$971,292 lower than in the approved 2016 final budget, and this continues to represent the largest share of our revenue in 2017. Adjusting for differences in Federal and State fiscal calendars, Table 1 shows our revised estimated grants for the 2016 calendar year.

Table 1 - 2017 Grants for PPACG Programs

PROGRAM AREA	2017 Proposed Budget	2016 Budget
Area Agency on Aging Subtotal	\$4,442,032	\$5,420,234
Colorado Department of Human Services	\$2,566,528	\$2,680,434
Federal Older Americans Act Funding	\$1,791,504	\$1,989,800
Colorado Health Foundation	\$ 84,000	\$750,000
Possible DOLA Grant for various programs	\$150,000	\$100,000
OEA-Regional Joint Land Use Study	\$436,246	\$440,000
Environmental Program Subtotal	\$15,749	\$11,000
State Water Quality Control Division 604(b) Grant	\$0	\$11,000
EPA 319 Grant	\$15,749	\$0
Insurance Program	\$0	\$145,000
SHIP	\$0	\$145,000
Transportation Program Subtotal	\$1,177,602	\$1,200,000
Consolidated FHWA/FTA Planning Grant	\$1,177,602	\$1,200,000
In-kind	\$123,313	\$0
TOTAL GRANTS	\$6,344,942	\$7,316,234

Grants in the Area Agency on Aging program are estimated to decrease by 18.0 percent or \$978,202 from the FY 2016 budget. This is primarily due to a decrease in the Colorado Health Foundation Grant and in 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 \$22,398 or 1.86 percent in the draft 2017 budget as compared to the 2016 budget.

2. Member Dues: \$458,000 (6.1%)

Member dues continue to contribute an important, yet minor share (6.1 percent) of PPACG's overall internal program revenues. Member Dues for the 2016 Budget have not changed however the allocations have changed based on the assessed valuation of the member's property. Please see Table 2 on the next page for the dues allocation for each member government in FY 2017. Table 2 also shows the assessed valuation of members' property for 2015, 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 \$493,073 (6.6%)

In FY 2017, 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 \$22,398 or 4.8 percent due to an operating expense increases.

4. Other Revenues \$219,443 (2.9%)

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*,
- SHIP Insurance Program
- revenue received from program activities and donations,
- interest earnings on bank accounts, and
- local support

The decrease in revenue of \$95,455 or 30.3 percent in this category is primarily from a decrease in Joint Call Center project income as and Mobility Management Local Support.

5. Total Revenues: \$7,515,458

Total revenues for FY 2017 are forecasted to be \$7,515,458: composed of 84.4 percent Federal, State, and Foundation Grants, 6.1 percent member dues, 6.6 percent from Special District income, and 2.9 percent from several other revenue categories.

Table 2
2017 Member Government Dues
Pikes Peak Area Council of Governments

MEMBER GOVERNMENT	2014 ASSESSED VALUATION	SHARE OF ASSESSED VALUATION	MEMBER DUES 2016	2015 ASSESSED VALUATION	SHARE OF ASSESSED VALUATION	PROPOSED MEMBER DUES 2017
COUNTIES						
El Paso	\$6,439,985,430	87.4%	\$200,258	\$6,852,564,340	88.2%	\$201,957
Park	\$396,550,217	5.4%	\$12,331	\$404,165,145	5.2%	\$11,911
Teller	\$527,764,970	7.2%	\$16,411	\$513,422,600	6.6%	\$15,132
Total Counties:	\$7,364,300,617	100.0%	\$229,000	\$7,770,152,085	100.0%	\$229,000
MUNICIPALITIES						
Alma	\$6,404,220	0.1%	\$279	\$6,282,530	0.1%	\$257
Calhan	\$5,363,150	0.1%	\$234	\$5,522,700	0.1%	\$226
Colorado Springs	\$4,678,624,800	89.1%	\$203,955	\$4,985,581,710	89.1%	\$203,943
Cripple Creek	\$62,469,340	1.2%	\$2,723	\$55,669,900	1.0%	\$2,277
Fairplay	\$14,068,552	0.3%	\$613	\$15,369,195	0.3%	\$629
Fountain	\$173,869,420	3.3%	\$7,579	\$193,432,560	3.5%	\$7,913
Green Mountain Falls	\$8,513,770	0.2%	\$371	\$8,711,180	0.2%	\$356
Manitou Springs	\$59,044,270	1.1%	\$2,574	\$63,855,650	1.1%	\$2,612
Monument	\$110,019,740	2.1%	\$4,796	\$122,327,670	2.2%	\$5,004
Palmer Lake	\$27,324,800	0.5%	\$1,191	\$28,806,140	0.5%	\$1,178
Ramah	\$518,380	0.01%	\$23	\$450,800	0.01%	\$19
Victor	\$2,639,530	0.1%	\$115	\$3,505,520	0.1%	\$143
Woodland Park	\$104,272,860	2.0%	\$4,546	\$108,599,510	1.9%	\$4,443
Total Municipalities:	\$5,253,132,832	100.0%	\$229,000	\$5,598,115,065	100.0%	\$229,000
GRAND TOTAL:	\$12,617,433,449		\$458,000	\$13,368,267,150		\$458,000

B. EXPENDITURES

6. Personnel Costs: \$3,436,880 (45.7% of total budget)

Personnel costs include salary and benefits for PPACG employees. Personnel costs are estimated to be 3.8 percent or \$125,208 more than the final FY 2016 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 38.15 positions which includes reallocating staff positions and an additional 6 hours

per week over the 2016 Budget, for additional staff hours for the ombudsman program in our Pikes Peak Area Agency on Aging program. We are requesting a wage package increase \$125,208; this includes all staff being within the minimum of the range as well as anticipated increase in benefits of 10.21 percent.

7. Contract Services: \$3,674,714 (48.9%)

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 17 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 lower than the FY 2016 budget by \$1,127,467 or 23.5 percent, largely due to decrease funding from Area Agency on Aging grants that are passed through to sub-contractors and the decrease in the Colorado Health Foundation Grant

8. Conferences, Education, Training, and Travel: \$74,520 (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 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 \$11,380 or 13.2 percent lower than the FY 2016 budget as staff has decreased this area across the board to better reflect actuals in 2016.

9. Office Supplies: \$25,800 (0.3%)

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 \$10,150 or 28.2 percent in this budget. This is to better reflect 2016 actuals.

10. Communications: \$20,680 (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 \$6,524 or 24 percent due to decreases in Area on Aging and Joint Land Use.

11. Support Services: \$36,675 (0.5%)

Support services include postage, advertising, and insurance costs. Insurance includes liability coverage for the building and contents, errors and omissions coverage. Support services are estimated to decrease by \$1,824 or 4.7 percent.

12. Professional Support: \$27,885 (0.4%)

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 estimated increase \$3,828 in 2017.

13. Equipment Maintenance and Rental: \$32,817 (.4%)

This includes maintenance agreements for all office equipment, computer equipment, and rental fees for the copiers. FY 2017 Budget is \$44,183 or 57.4 percent less than the 2016 budget due to reclass of software contract to contract services.

14. Building Maintenance, Utilities, and Depreciation: \$101,000 (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 is a decrease of \$10,000 due to decrease in depreciation.

15. Equipment: \$23,220 (0.3%)

This includes funding computer software for the PPACG programs costing under \$2,500. This is an increase of 6,470 due to additional equipment needs of Transportation.

16. Capital Replacement Reserve: \$61,267 (0.8%)

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.

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 2017, an estimated \$10,000 of capitalized equipment is needed as well as additional funds for parking lot updates \$20,000 for reserve items.

17. Total Direct Expenses: \$7,515,458 (100.0%)

Total expenses for the FY 2017 draft budget are forecast to be \$7,515,458 which represents a \$1,044,756 or a 12.2 percent decrease from the FY 2016 approved budget.

