

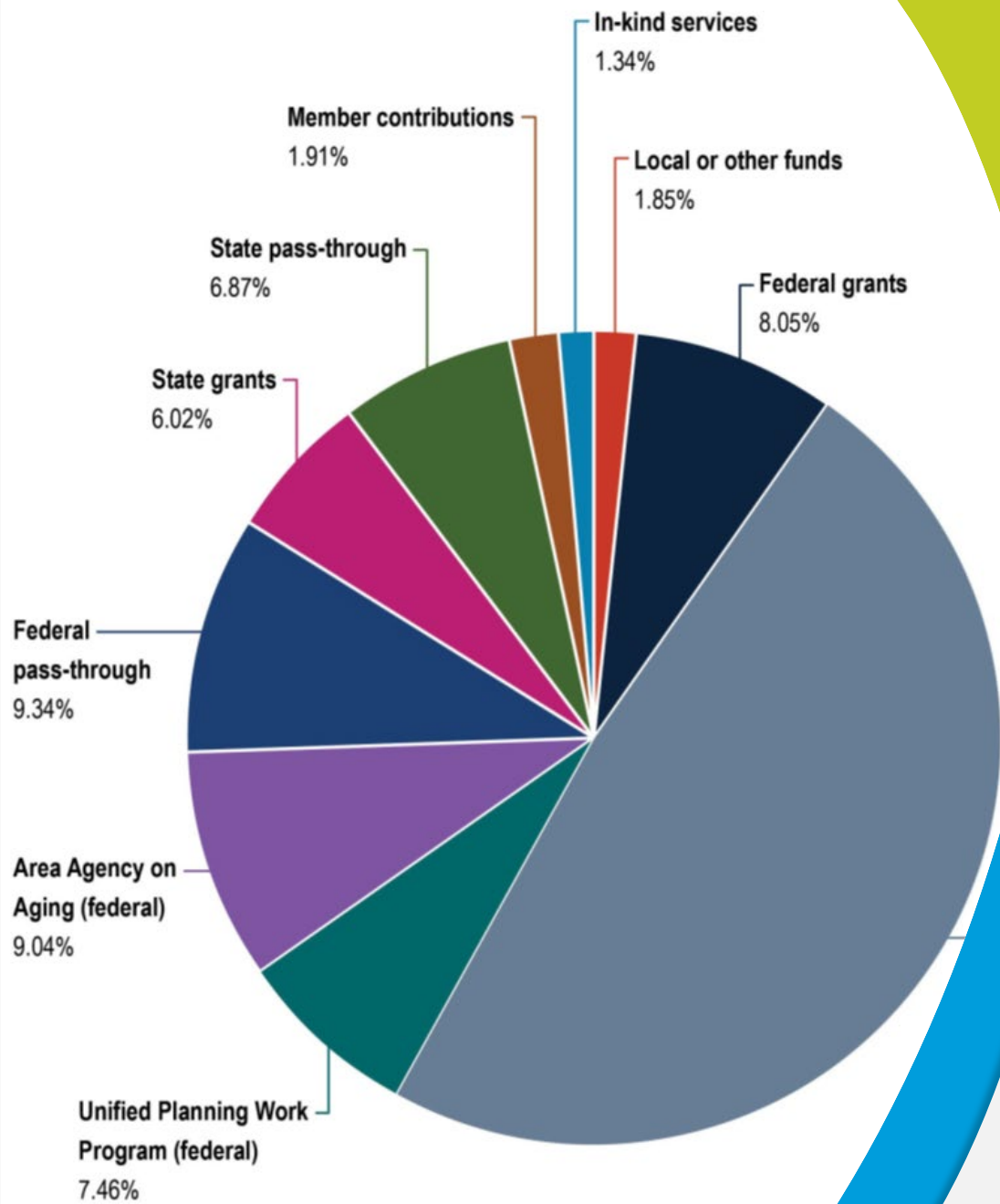


Fiscal Year 2026/2027 Proposed Budget

Presented by Jenny Hunnings May 20, 2026

DRCOG Budget Process

- February - March: staff compose draft budgets with Executive Director and Chief Operating Officer for review.
- April: Finance & Budget Committee review draft budget and make revisions if needed.
- A second meeting takes place with the Finance & Budget Committee to review a final draft budget and recommend approval to Board of Directors.
- May: Board of Directors consider budget.



The big picture

- The budget will increase to approximately \$110 million in revenue with matching expenses.
- Federal sources will continue to be a large portion of budget.
- Member contributions remain flat.
- There is continued innovation taking place to sustain funding and create new opportunities.
- The budget is neutral and balanced.

Merit Pool Increase

DRCOG is recommending a 3.5% merit pool increase in FY 25/26. To ensure fair compensation at DRCOG:

- *Surveyed several member jurisdictions.*
- *Sought comparative comps from Employers Council who serves as a government market advisor to DRCOG.*
- *Reviewed periodicals such as the Denver Business Journal.*

Further, DRCOG recently underwent a class and compensation survey to remain competitive and retain good talent.



The fiscal impact of growth

- Reorganization of the administration and finance division including the hiring of a program manager of grant administration.
- More frequent draw down of funds.
- Having business operations teams dedicated to support program managers.
- Ensuring teams have the tools, equipment and training they require.
- Tax, banking and audit consulting.



Risk Management

DRCOG is fiscally prudent, maintaining a strong fund balance in the case of unforeseen circumstances

- Significant cash on hand in the DRCOG bank account
- Liquidity of investments
- Mindful spending

As a result, DRCOG has resources to pay up to three months of operating expenses should there be a pause in payment from grantors





**Thank you for listening. I hope
it wasn't too ruff 😊**

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