

2020 Budget and Work Program

• Aurora
Denver
Glenwood
Castle



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Letter from the executive director

Oct. 16, 2019



Finance and Budget Committee
and Board of Directors

Denver Regional Council of
Governments

I am pleased to submit the
proposed budget of the Denver
Regional Council of Governments
for the year 2020. The budget is

transmitted to the Finance and Budget Committee for review and
recommendation for approval by the Board of Directors.

The budget is a fiscal guide for the operation of DRCOG
beginning Jan. 1, 2020, through Dec. 31, 2020. It supports work
activities in the DRCOG metropolitan planning organization's
Unified Planning Work Program, the Area Agency on Aging,
Communications and Marketing, Executive Office, Administration
and Finance, and Human Resource divisions.

Variations of note between the 2019 and 2020 budgets include:

Revenues

- **Federal funding:** The use of Unified Planning Work Program funding will increase in 2020 by approximately 15.5%. However, overall federal funding will decrease by \$948,958. Significant federal grant variances include:
 - Due to delays in reimbursement, the Veteran-Directed Care program is currently capped at 115 veterans and not expected to expand in 2020, resulting in a decrease in claims totaling nearly \$1,000,000.
 - The Accountable Health Communities grant funded by the Centers for Medicare and Medicaid Services will pay

contractor agreements throughout the year increasing the total expenditures in 2020 by \$258,000.

- In 2019 a federal carryover balance of \$433,000 was reflected in the Area Agency on Aging budget. Those funds were fully expended and are not reflected in the 2020 budget resulting in a decrease of federal dollars.
- **State funds** will increase by approximately \$1,455,000 in 2020 mainly due to Homestead Act dollars in the amount of \$1,300,000 granted by the State Funding for Senior Services.
- **Local/other funds** reflects an increase of approximately \$1,184,000 which is due to regional data acquisition projects entering the second year of its two-year cycle.
- **In-kind services**, where in-kind contributions from volunteers and partnering organizations are reflected, will increase. This is largely attributed to the Regional Transportation District's in-kind contribution toward Unified Planning Work Program match which under our new contract makes up a larger percentage of the overall match requirement than in years past.
- **Member dues** provide match for federal programs and help fund initiatives such as legislative activities and strategic partnerships which assist in increasing overall funding as well as Board-related activities. Board-related activities include Finance and Budget Committee and Board meetings, the annual awards dinner, the Board Workshop, participation in Sister Cities International and hosting the annual Small Communities, Hot Topics forum.

Expenditures

- **Personnel expenditures** are budgeted with an estimated fifteen percent increase for medical insurance and ten percent increase for dental insurance effective January 2020,

as well as a performance-based merit increase pool for staff estimated at an average of three percent. Due to expanded activities across the organization, there are thirteen additional personnel budgeted. The personnel to support these expanded activities include Area Agency on Aging community options and State Health Insurance Assistance Program counselors, a case manager, two community resource specialists, a community partnership coordinator and three navigators. Additionally, two new positions have been budgeted in Transportation Planning Operations, a transportation technology strategist and a contract compliance position to support the upcoming Federal Transit Administration Section 5310 transportation mobility program.

- **Contractual** obligations are significantly higher from 2019. This is due in part to 2020 being the larger contractual year of the two-year regional data acquisition projects cycle. Further, contracts to support a U.S. Geological Survey lidar project are also included. There are additional contract expenditures in the 2020 budget to support Unified Planning Work Program tasks that include a household travel survey, Complete Streets toolkit, transit-oriented development opportunity study, and various micromobility projects. Finally, Veteran-Directed Care program contractual obligations will decrease from the 2019 budget as a result of the program cap.
- **Non-personnel expenditures** include funds for technology updates and license renewals as well as business insurance premiums which are estimated to total approximately \$198,000 in 2020.
- **Capital outlay** includes \$30,000 for computer network storage and \$10,000 for the installation of a secure door to the Area Agency on Aging office space.

Fund balance

The 2020 ending fund balance for DRCOG is projected to be \$8,080,121. Approximately \$2,992,942 of this fund balance reflects prepaid funds set aside for specific programs such as regional data acquisition projects, Guaranteed Ride Home and regional vanpool.

Because most of DRCOG's grants operate on a reimbursement basis, substantial working capital must be available to pay contractual obligations and meet daily expense outlays while awaiting grantor payments. DRCOG's auditors have consistently recommended maintaining a fund balance equal to three months' expenditures. Based on prior year expenses and contractual rent obligations, that amount would total approximately \$8,000,000 to \$9,000,000. Member dues collected in excess of program obligations and activities will be applied toward the general fund to replenish this balance and further strengthen DRCOG's overall financial position.

Pass-through funds are excluded from the general operating fund budget; however, the 2020 pass-through is estimated to total \$16,054,246.

Respectfully submitted,



Douglas W. Rex

Executive Director

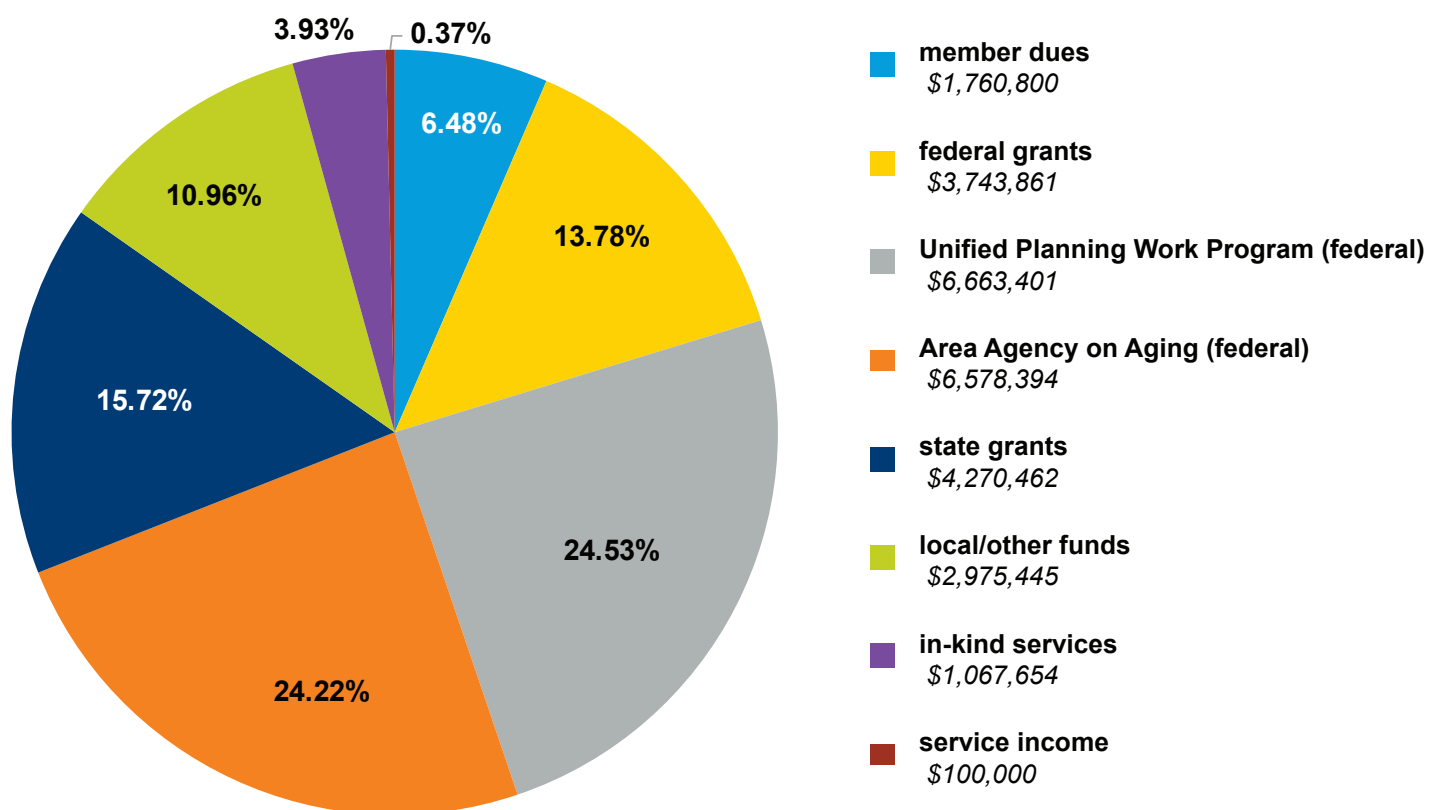
2020 budget summary and comparison (general operating fund)

	2018 ACTUALS	2019 BUDGET	2020 BUDGET
Beginning balance	¹ \$7,696,237	\$7,691,016	\$8,050,121
General funds	\$4,204,961	\$4,606,850	\$4,957,179
Program obligations	\$3,491,276	\$3,084,166	\$3,092,942
Revenues			
Member dues	\$1,569,448	\$1,724,800	\$1,760,800
Federal grants	\$12,397,491	\$17,934,614	\$16,985,656
State grants	\$3,036,851	\$2,814,355	\$4,270,462
Local/other funds	\$1,399,121	\$1,791,817	\$2,975,445
In-kind services	\$595,300	\$683,026	\$1,067,654
Service income	\$477,218	\$200,000	\$100,000
Interest/investment income	\$72,482	\$30,000	\$30,000
Total revenues	\$19,547,911	\$25,178,612	\$27,190,017
Total funds available	\$27,244,148	\$32,869,628	\$35,240,138
Expenditures			
Personnel	\$10,662,101	\$13,364,242	\$14,293,255
Contractual services	\$4,999,382	\$7,674,098	\$8,492,667
In-kind services	\$595,300	\$1,033,489	\$779,446
Non-personnel	\$3,191,144	\$2,717,678	\$3,554,649
Capital outlay	\$105,205	\$30,000	\$40,000
Total expenditures	\$19,553,132	\$24,819,507	\$27,160,017
Ending balance	\$7,691,016	\$8,050,121	\$8,080,121
General funds	\$4,606,850	\$4,957,179	\$5,087,179
Program obligations ²	\$3,084,166	\$3,092,942	\$2,992,942
Pass-through funds			
Area Agency on Aging	\$14,137,425	\$14,128,425	\$16,054,246
Total pass-through funds	\$14,137,425	\$14,128,425	\$16,054,246

¹ The beginning balance for the 2020 budget is based on 2018 actuals. All other 2020 line items are estimates.

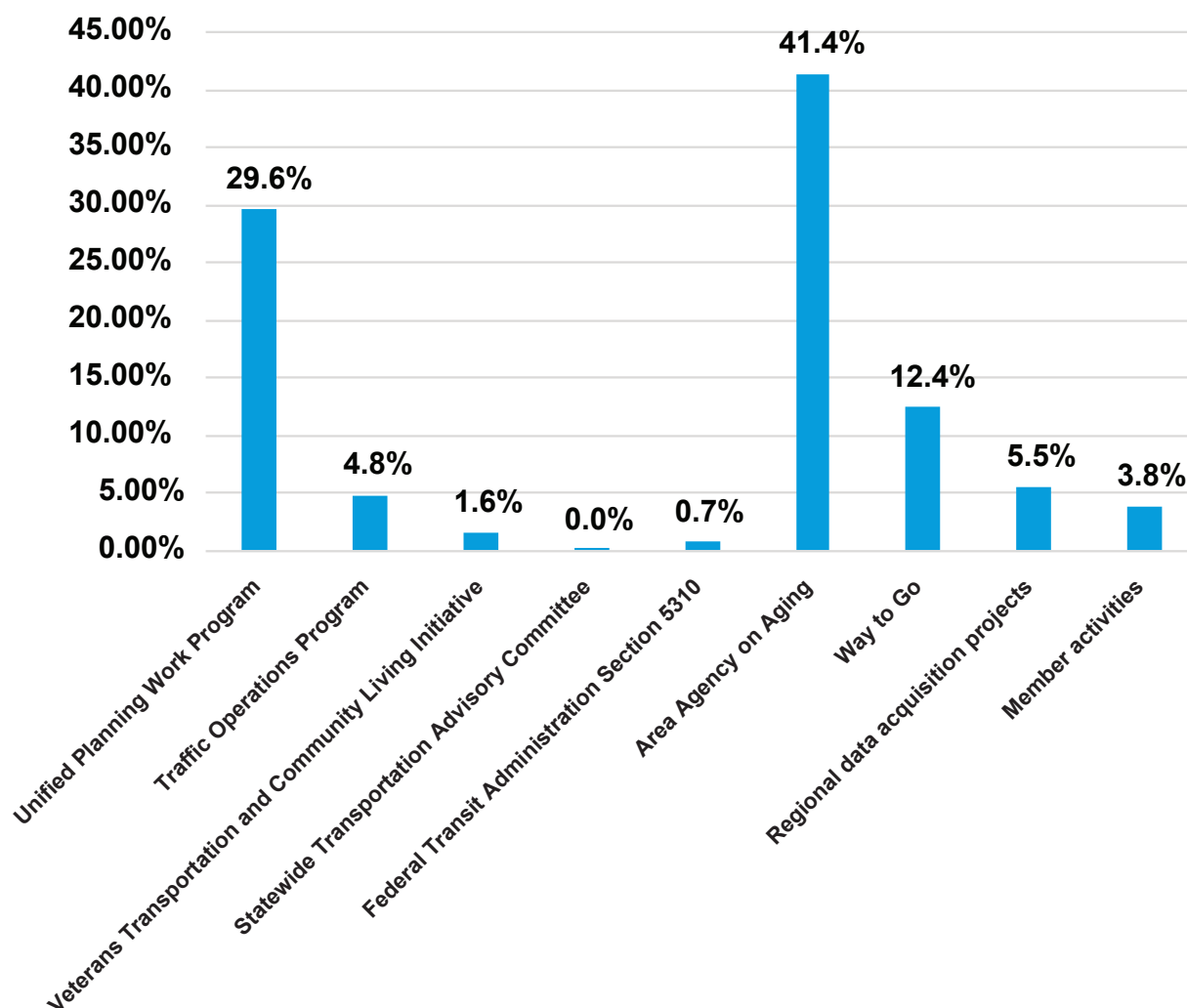
² Program obligations are prepaid funds set aside for specific programs: Guaranteed Ride Home, regional data acquisition projects and Regional Vanpool.

2020 funding



SOURCE	PERCENT OF TOTAL	AMOUNT
member dues	6.48%	\$1,760,800
federal grants	13.78%	\$3,743,861
Unified Planning Work Program (federal)	24.53%	\$6,663,401
Area Agency on Aging (federal)	24.22%	\$6,578,394
state grants	15.72%	\$4,270,462
local/other funds	10.96%	\$2,975,445
in-kind services	3.93%	\$1,067,654
service income	0.37%	\$100,000
projected total funding	100.00%	\$27,160,017

2020 expenditures by strategic initiative



STRATEGIC INITIATIVE	PERCENT OF TOTAL	AMOUNT
Unified Planning Work Program	29.63%	\$8,048,558
Traffic Operations Program	4.83%	\$1,311,967
Veterans Transportation and Community Living Initiative	1.59%	\$431,151
Statewide Transportation Advisory Committee	0.04%	\$9,550
Federal Transit Administration Section 5310	0.73%	\$198,790
Area Agency on Aging	41.40%	\$11,244,550
Way to Go	12.43%	\$3,376,317
Regional data acquisition projects	5.52%	\$1,499,780
Member activities	3.83%	\$1,039,354
Strategic Initiatives Total	100.00%	\$27,160,017

2020 strategic initiatives summary

PROJECT	FEDERAL	STATE	LOCAL/OTHER FUNDS	IN-KIND SERVICES	SERVICE INCOME	MEMBER DUES MATCH/ DRCOG FUNDED	TOTAL
Unified Planning Work Program	\$6,663,401			\$960,599		\$424,558	\$8,048,558
Traffic Operations Program	\$1,311,967						\$1,311,967
Veterans Transportation and Community Living Initiative	\$376,351	\$54,800					\$431,151
Statewide Transportation Advisory Committee/State Rural Planning Assistance	\$9,550						\$9,550
Federal Transit Administration Section 5310	\$169,395					\$29,395	\$198,790
Area Agency on Aging*	\$6,578,394	\$4,210,663	\$80,000	\$60,000		\$315,493	\$11,244,550
Way to Go	\$1,876,598	\$4,999	\$1,337,665	\$47,055	\$100,000	\$10,000	\$3,376,317
Regional data acquisition projects			\$1,499,780				\$1,499,780
Member activities			\$58,000			\$981,354	\$1,039,354
Total funding summary	\$16,985,656	\$4,270,462	\$2,975,445	\$1,067,654	\$100,000	\$1,760,800	\$27,160,017

*Funding summary does not reflect \$16,054,246 in Area Agency on Aging pass-through funding.

Funding summary does not reflect \$30,000 in projected interest income.

Work program

DRCOG's 2020 work program consists of programs, projects, and initiatives associated with DRCOG's Balanced Scorecard strategic plan. The work program is organized within four Balanced Scorecard perspectives.

Described below, perspectives are the various lenses or views of DRCOG's organization. Strategic objectives (shown on the following page) and associated measures are developed for each perspective, creating a scorecard that is balanced.

Communities and Residents

This perspective contains objectives that represent continuous improvements needed for our communities and their residents.



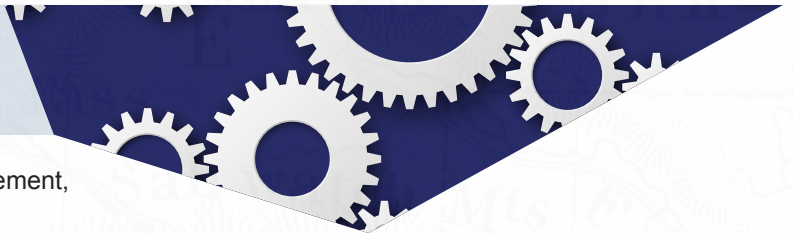
Financial Stewardship

The financial stewardship perspective contains objectives related to cost management, funding and resource investment.



Business Operations

This perspective contains objectives related to process improvement, partnering, products and services.

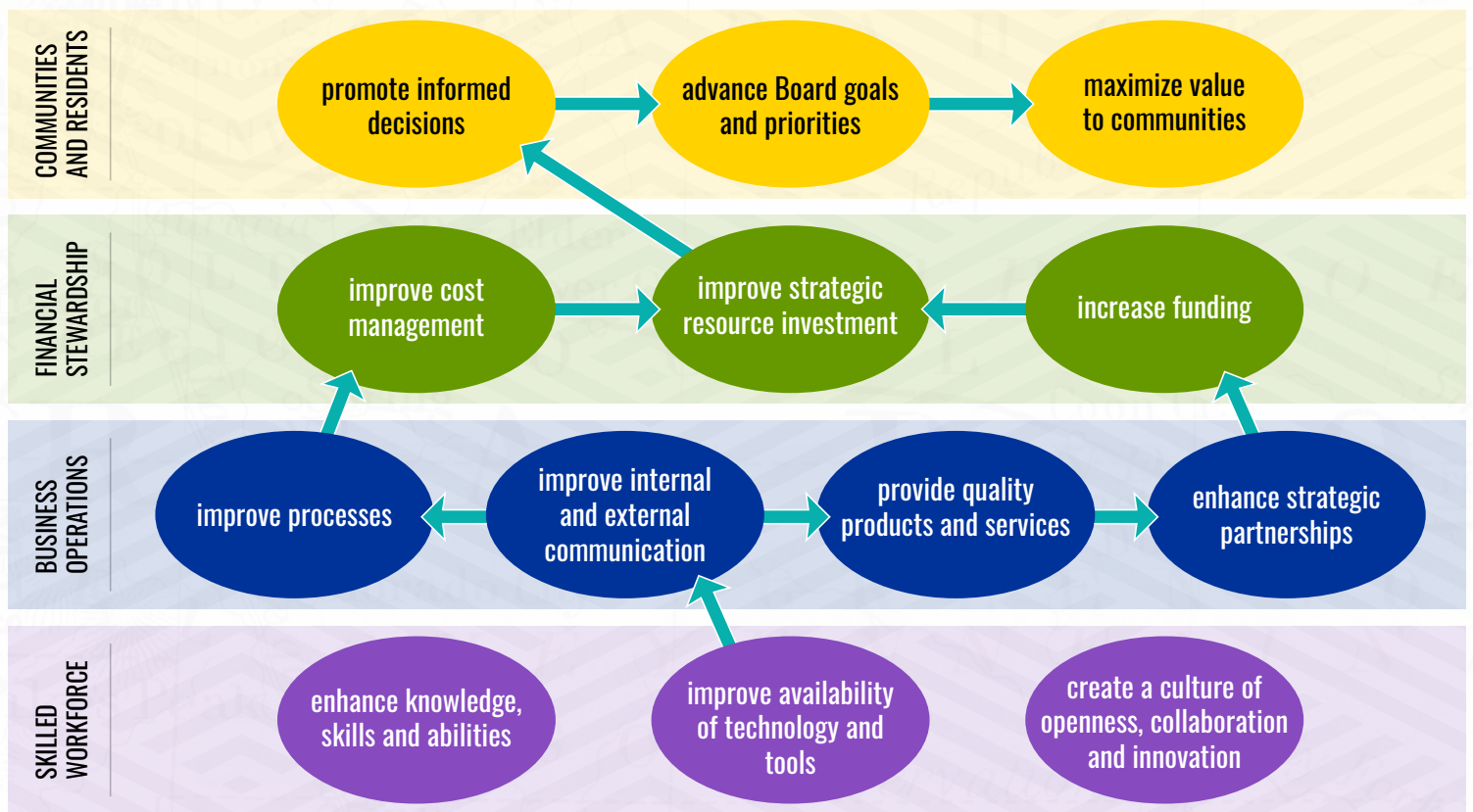


Skilled Workforce

The skilled workforce perspective encompasses objectives related to developing knowledge, skills and abilities for staff, a collaborative culture and providing the proper tools and technology for staff to perform their jobs to the highest level.



The DRCOG strategy map



Communities and Residents

- promote informed decisions
- advance Board goals and priorities
- maximize value to communities

age-friendly partnerships

Ongoing **collaboration** with forward-thinking groups of like-minded organizations to promote and support communities that facilitate healthy and successful aging.

annual awards celebration

A **yearly event** that celebrates the people, projects and communities in our region that advance Metro Vision by enhancing and protecting our quality of life.



Area Plan on Aging

Required by the State Unit on Aging, the **quadrennial report** highlights service goals, outcomes, strategies and measures to evaluate the success of the Area Agency on Aging's work.

Board Workshop

Annual opportunity for Board directors to explore and shape new concepts and initiatives and strengthen relationships with other directors and members of DRCOG's senior management team.

Census 2020 outreach

A **collaborative initiative** with contractors and service providers to reach homebound, minority, low-income and rural populations to encourage participation in the 2020 Census.

food insecurity initiative

An **initiative** to expand partnerships, conduct community events and expand partnerships with contractors to increase access to food.



Imagine a Great Region | Metro Vision Idea Exchanges

An **event series** to foster conversations on growth that inform practice-based planning research including partners such as the University of Colorado Denver, the Gates Family Foundation and Denver7 News.



Accountable Health Communities

A **partnership** among DRCOG, local clinical and community care providers to assess the health-related social needs of individuals and connect them to services to address them.

Milestones: Publish gap analysis in April 2020. Throughout 2020, convene work groups to identify and pursue small but scalable interventions to address gaps in housing, food insecurity, utility assistance and interpersonal violence services.

Partnerships: Aurora Mental Health Center, Brothers Redevelopment, Centura Health, Denver Health, Energy

Outreach Colorado, Jefferson Center for Mental Health, Jewish Family Service, STRIDE Community Health Center, Project Angel Heart, Seniors' Resource Center, The Town of Littleton Cares Meals on Wheels, Volunteers of America Colorado Branch, Violence Free Colorado.

Significance: As part of a national demonstration project, DRCOG is one of the only non-health care entities convening a consortium to identify and address health-related social needs. By facilitating a continuum of care involving both health care providers and community-based organizations, the consortium improves health outcomes and reduces health care costs.



Communities and Residents

- promote informed decisions
- advance Board goals and priorities
- maximize value to communities

legislative affairs

A **foundational initiative** to work with legislators and policy stakeholders to advocate for solutions in DRCOG's core areas of growth and development, transportation, and aging and disability resources.

leveraging community assets

A **partnership** among public, private and nonprofit organizations to identify and catalog high-opportunity real estate assets essential to meeting critical community needs.

Mile High Compact 2.0

An **opportunity** for the Board, local governments and staff to strategically evaluate opportunities to align local and regional initiatives with the Metro Vision plan for greater collective impact.

mobility data management

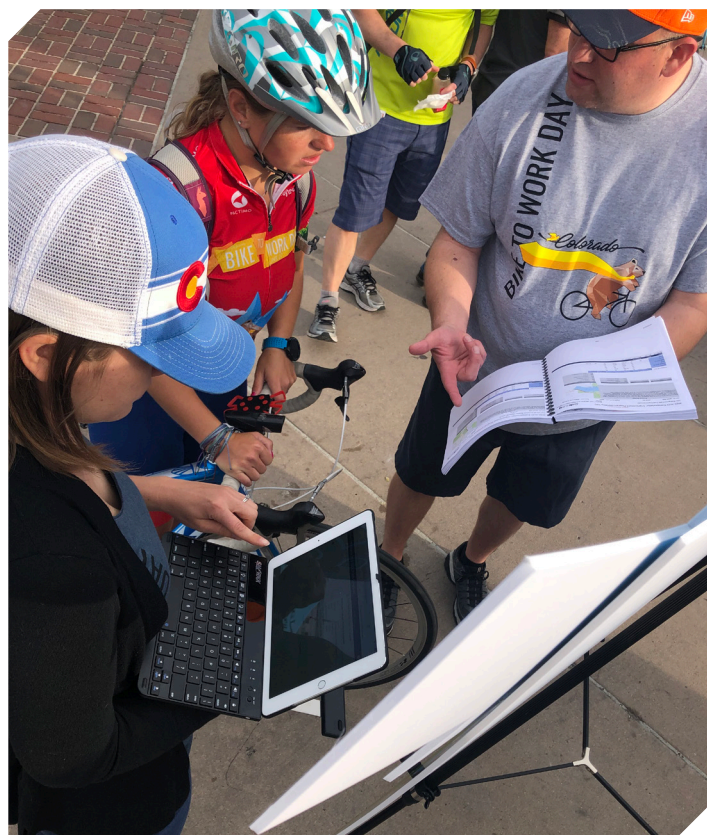
A regional **work group**, convened by DRCOG, to improve access to transportation data by identifying the needs, issues and opportunities for a regional transportation data set and data platform.

performance management

A **regular report** on progress toward outcomes identified in Metro Vision and regional performance measures related to regional transportation planning processes.

population and employment forecast coordination

A **pilot program** with the Colorado Department of Local Affairs and local governments to improve the process related to producing accurate, timely and transparent forecasts.



public engagement

An **ongoing initiative** to deliver people-centered planning, projects and services by proactively providing stakeholders opportunities to learn about and engage with DRCOG.



Metro Vision Regional Transportation Plan

A **foundational product**, the 2050 Metro Vision Regional Transportation Plan will identify investment strategies based on population and employment projections to provide the framework for improving how we get around.

Milestones: Board shapes and evaluates investment priorities and scenario options in early 2020. Plan development in fall 2020.

Partnerships: Local governments, Federal Highway Administration, Federal Transit Administration, Colorado Department of Transportation, Regional Transportation District, transportation management associations, transportation advocates.

Significance: The 2050 Metro Vision Regional Transportation Plan represents the region's envisioned and cost-feasible multimodal transportation system through 2050. It identifies major roadway and rapid transit projects, as well as the cost to maintain and operate the transportation system. It documents compliance with federal fiscal and air quality requirements.

Communities and Residents

- promote informed decisions
- advance Board goals and priorities
- maximize value to communities



Citizens' Academy

A **foundational program**, Citizens' Academy builds the civic capacity of the Denver region's residents. Participants engage regional issues such as transportation, economic vitality, housing and civic engagement.

Milestones: Spring and fall seven-week sessions. Applications open approximately March 1 and Aug. 1.

Partnerships: Curriculum includes presentations from partner organizations throughout the region, including the Regional Transportation District, Colorado Department of Transportation, local governments and Mile High Connects.

Significance: Citizens' Academy fosters a sense of civic pride and responsibility among participants, often equipping them for volunteer, elected or professional roles that enhance the region's communities.



regional conservation assessment and vision

A **partnership** with the Metro Denver Nature Alliance and numerous stakeholders to identify high-quality, connected and climate-resilient habitat across the metro area.

regional data acquisition projects

Cost-effective **partnerships** facilitated by DRCOG to acquire foundational data sets including imagery, lidar, planimetric and land cover in support of local and regional planning.

regional housing strategies

A **partnership** with housing developers and service providers to share data and identify ways to expand affordable, accessible housing development opportunities in local communities.



Small Communities, Hot Topics

An **annual workshop** convening staff and elected officials to discuss issues important to their communities, timely topics and relevant resources.

Smart Region Initiative

A **foundational initiative** to capture and share innovations and technological advances across all communities in the DRCOG region.

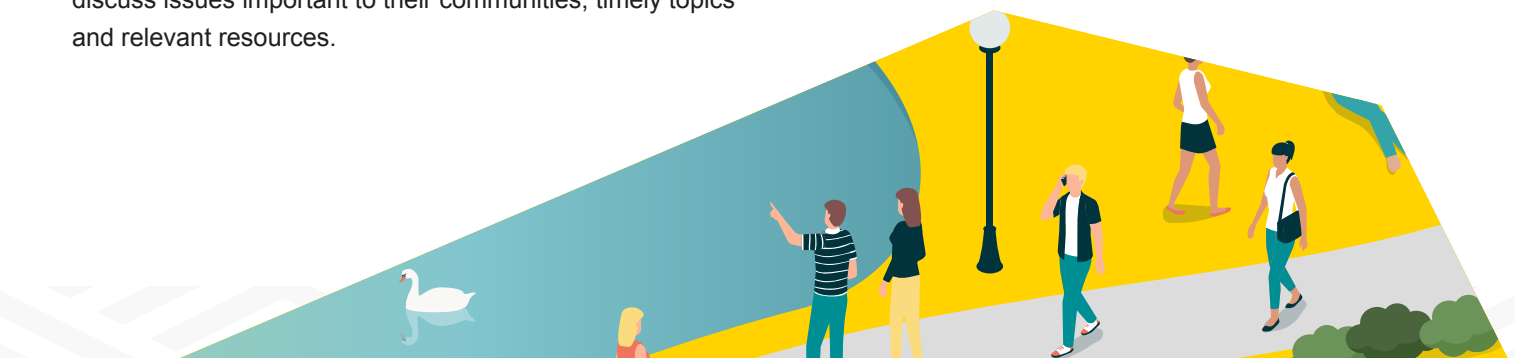


Way to Go

A **foundational regional partnership** that reduces traffic congestion and improves air quality through education, marketing and outreach encouraging non-single-occupant-vehicle travel.

website refresh

A **project** to deliver a refreshed DRCOG website and consolidate other web properties. The web refresh will raise DRCOG's public visibility and improve access to its services and programs.



Financial Stewardship

- improve cost management
- improve strategic resource investment
- increase funding

Area Agency on Aging financial flexibility

An **advocacy effort** at the state and federal levels to increase funding for AAA services, provide additional funding flexibility and codify the role of area agencies on aging in efforts to reduce health care costs.

audit

An **analysis and report** resulting in findings related to DRCOG's financial health and compliance with grant management guidelines. The singular audit takes place each year beginning in January.

preparation of the DRCOG budget

A **foundational annual product**, the budget process begins in July and concludes with final approval by the Board of Directors in November. The budget directs financial decisions made throughout the fiscal year.

professional services

DRCOG offers **specialized services** to members and partners at a reduced cost, maximizing the value of member governments' participation and providing DRCOG with additional, unencumbered funding and resources.





accounting software implementation

Operational investment to improve reporting, automate workflows and strengthen internal controls.

Milestones: Contract for software and consulting services through June 2022. Testing and implementation in 2019.

Partnerships: Contract with IntuitiveTek.

Significance: The operational investment will result in a more robust accounting package that will increase accounting visibility and allow for closer tracking of revenues and expenses.

Business Operations

- improve processes
- improve internal and external communication
- provide quality products and services
- enhance strategic partnerships

Accountable Health Communities partnership

A **partnership** under the auspices of the Denver Regional Accountable Health Community that includes three hospitals, Tri-County Health Department and AllHealth Network.

Administration and Finance process improvements

An **improvement activity** involving the implementation of technology solutions related to inventorying, budgeting, purchasing, expense reimbursement and timesheet processes.



Quarterly City and County Managers Forum

A **series** for city and county managers to learn and shape how DRCOG's programs and services benefit their communities and to connect with each other about issues of regional importance.

Milestones: Quarterly lunch meetings at DRCOG's offices.

Partnerships: City, county and town managers from all member governments are invited to participate in each session.

Significance: Through the forum, city, county and town managers build stronger working relationships with DRCOG staff, explore upcoming Board discussions and actions and learn about the products and services DRCOG offers its member governments. Attendees discuss regionwide approaches to shared opportunities and concerns from the distinct perspective of their city, county or town.



Area Agency on Aging voucher program

Through the voucher **program**, the Area Agency on Aging expands regional transportation options for older adults by giving consumers ride-hailing options beyond grant-funded shuttle services. In 2020, the program will be expanded to include other services.

Milestone: Release a request for qualifications in August 2019 to expand voucher services to include in-home care, chore and caregiver respite services.

Partnerships: Existing transportation contracts with HopSkipDrive, Senior Support Services and Southwest Improvement Council. Pending contract with Lyft. New non-transportation partners will be identified based on request for qualifications.

Significance: The voucher program reduces waiting lists for transportation and other services, allowing the Area Agency on Aging to serve more people and allocate funds more efficiently.

Area Agency on Aging program innovation

In response to needs identified in the Area Plan on Aging, the Area Agency on Aging has expanded contracted **partnerships** and **services** for older adults.

Board collaboration assessment

An annual **improvement activity** through which the Board provides feedback on collaboration with directors, committee structure, leadership and other critical success factors.

cloud storage

An **enhancement activity** to expand cloud storage to improve network security, reduce infrastructure complexity and align with DRCOG's disaster recovery strategy.

DocuWare upgrade

A **software investment** to upgrade DRCOG's electronic file storage system to allow greater flexibility for teleworkers, facilitate administration and improve alignment with DRCOG's disaster recovery strategy.

geographic information systems data development

Through an annual **partnership** with local governments, DRCOG creates regional data sets including employment, housing, open space and zoning in support of local and regional planning.

Latinx outreach

Outreach and **services** to Spanish speakers, particularly those seeking benefits counseling from the Area Agency on Aging.

monthly scorecard report to Board

Regular **report** to the Board of Directors on progress related to specific balanced scorecard objectives and initiatives.

open house

A periodic **event** offering Board directors the opportunity for a behind-the-scenes look into the work of DRCOG and the ability to interact with staff in a relaxed setting.

partner satisfaction survey

New in 2020, an **improvement activity** to invite the perspectives of DRCOG's partner organizations, help the organization better understand their needs and build strong and enduring partnerships.

web map refresh

A **project** to standardize the underlying code of DRCOG's web maps to improve the speed of development and maintenance activities and to improve consistency and reliability for users.

Skilled Workforce

- enhance knowledge, skills and abilities
- improve availability of technology and tools
- create a culture of openness, collaboration and innovation



COG Cares

A service-based employee **volunteer program** equipping DRCOG staff to give back to the region's communities and build essential teamwork skills across teams and divisions.

Doug'n Donuts

Open forum for employees to ask questions, offer suggestions and receive updates from the executive director.

employee engagement and satisfaction survey

Annual improvement opportunity facilitating staff feedback on DRCOG, their work group, satisfaction, supervisor, division director and the executive director.

serving our most vulnerable populations

Training for Area Agency on Aging staff to attain and maintain the professional certifications required to provide high-quality service to older adults, veterans and people living with disabilities.

training and development

Annual **development opportunities** for staff including technical, interpersonal, management, leadership and team development skills.



Third Thursday Lunch-and-Learn

An informal **learning series**, monthly lunch and learns offer employees the opportunity to engage the region's history, be inspired by its culture and intellectually stimulated by discussions of its economy and issues of regional significance.

Milestones: Every third Thursday.

Partnerships: Past presenters have included local business owners, DRCOG employees, university

professors, nonprofit representatives, museum staff, veterans, statewide directors, musicians, researchers and DRCOG Board directors.

Significance: Monthly lunch and learns provide employees with personal and professional development opportunities and encourage them to celebrate living in the Denver region and the state. Recent topics have included jazz, geology, recycling, dementia, military history, Ute culture, photography, the restaurant industry and telecommunications.



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