

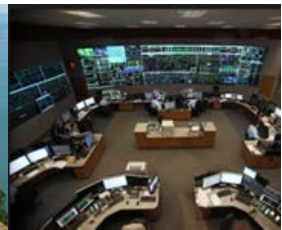


RELIABILITY FIRST

2020 Business Plan & Budget

Final Version

**Carol Baskey, Manager Finance and
Accounting**



2020 Budget Overview

➤ Total 2020 Budget: \$23,650,862

Total 2020 Budget Change vs 2019	4.4%	\$1,002,404
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- Personnel Expense 4.2% \$800,531
- Operating and Fixed Asset 5.6% \$201,873

➤ Total 2020 Assessment: \$22,318,623

• Assessment Change	5%	\$1,062,792
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- \$1,173 of the working capital reserve is being utilized to stabilize assessments

➤ Total 2020 FTEs: 79.35

• 2020 FTE Increase	1.15 FTEs
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- Budget includes 2 overlap FTEs



2020 Budget vs 2019 Budget

Personnel Expenses	Total Change From 2019		% of Budget Increase
Direct Salaries	3.6%	\$484,643	48.3%
Merit Increases/Promotions	3.3%		
Additional FTE	100%		
Talent Overlap Strategy	6%		
Payroll Taxes	4.9%	\$39,705	4.0%
Training and Education	52.7%	\$175,442	17.5%
Medical Benefits	(.1%)	(\$2,357)	(0.2%)
Retirement Costs	3.8%	\$86,005	8.6%
Operating Expenses			
Meeting	14.5%	\$45,540	4.5%
Travel	2.8%	\$19,319	1.9%
Conference Calls	(66.7%)	(\$34,800)	(3.5%)
Contractors	(9%)	(\$47,497)	(4.7%)
Office Rent	3.5%	\$18,206	1.8%
Office Costs	(.6%)	(\$4,730)	(0.5%)
Professional Services	4.5%	\$18,961	1.9%
Fixed Assets	92.1%	\$187,000	18.7%

Only includes major expenses



2021 and 2022 Projections

➤ 2021 Projections

- Budget Increase
 - 3.8% to 6.3%
- Assessment Increase
 - 5%

➤ 2022 Projections

- Budget Increase
 - 5.1% to 7.4%
- Assessment Increase
 - 5%



2019 – 2020 Budget Comparison

	2019 Budget	2020 Budget	2019 vs. 2020 Budget Over (Under)	
Funding				
Assessments	\$ 21,255,831	\$ 22,318,623	\$ 1,062,792	5.00%
Penalties	327,215	152,627	\$ (174,588)	
Miscellaneous	50,000	50,000	-	
Total Funding	\$ 21,633,046	\$ 22,521,250	\$ 888,204	
Expenses				
Personnel Expenses	\$ 19,068,222	\$ 19,868,754	\$ 800,531	
Meetings	1,045,000	1,075,059	30,059	
Operating	2,332,236	2,317,049	(15,186)	
Non-Operating	-	-	-	
Total Expenses (A)	\$ 22,445,458	\$ 23,260,862	\$ 815,404	
Fixed Assets				
Computer, Software, Equipment	180,000	140,000	(40,000)	
Furniture & Fixtures	-	14,000	14,000	
Leasehold Improvements	23,000	236,000	213,000	
Net Fixed Assets (B)	\$ 203,000	\$ 390,000	\$ 187,000	
Total Budget (A + B)	\$ 22,648,458	\$ 23,650,862	\$ 1,002,404	4.43%
FTEs	78.20	79.35	1.15	1.5%

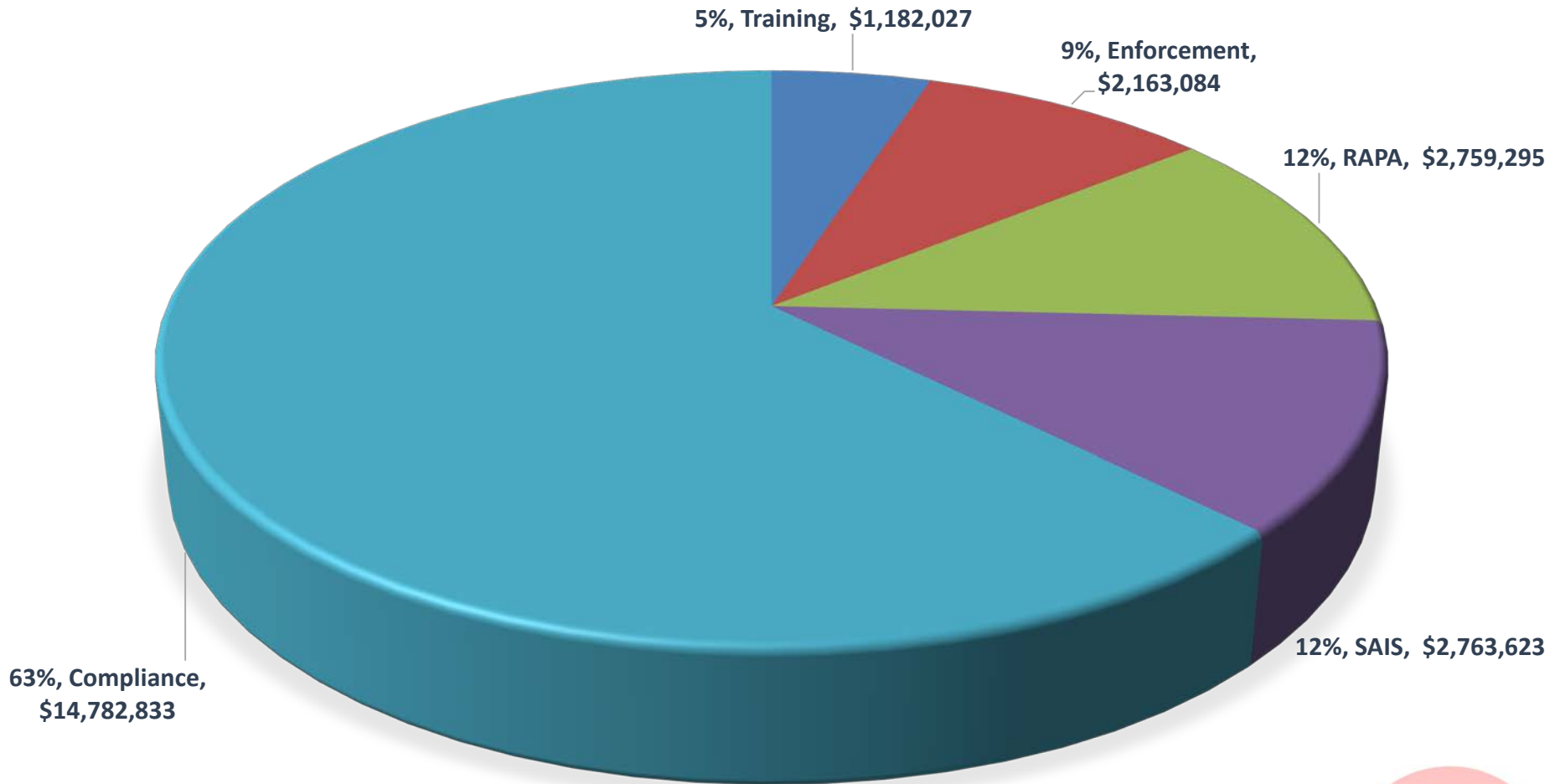


Staffing Allocation

	2019 Budget	2020 Budget	Change from 2019 Budget
Total FTEs by Program Area			
STATUTORY			
Operational Programs			
Reliability Standards	0.00	0.00	0.00
Reliability Assurance and Compliance Monitoring Enforcement	37.00	38.00	1.00
Reliability Assessment and Performance Analysis	7.00	7.00	0.00
Training and Education	7.60	6.60	-1.00
Situation Awareness and Infrastructure Security	3.00	3.00	0.00
	7.00	8.00	1.00
Total FTEs Operational Programs	61.60	62.60	1.00
Administrative Programs			
General & Administrative	3.00	3.00	0.00
Legal and Regulatory Affairs	3.00	3.00	0.00
Information Technology	6.00	6.00	0.00
Human Resources	2.00	2.00	0.00
Finance and Accounting	2.60	2.75	0.15
Total FTEs Administrative Programs	16.60	16.75	0.15
Total FTEs	78.20	79.35	1.15

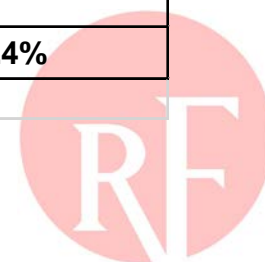


2020 Budget by Program Area



2021 and 2022 Projections

Budget Projections	2021	2022
Personnel Expense	4.4%	5.3%
• Wages: 3%	x	x
• Medical/Dental: 12% /8%	x	-
• Medical/Dental/Vision Premiums: 12% /8% /3%	-	x
• 2 Positions from 2021	-	x
Meeting Expense	3.0%	3.0%
Travel Expense	2.5%	2.5%
Operating Expense	5.5%	1.8%
• CMEP Data Migration - \$30K	x	-
• Capability Management Software for Building Models and Measuring Maturity for Various Business Processes - \$75K	x	-
• Penetration Testing \$60K	-	x
Projected Budget Low Range	3.8%	5.1%
Additional Budget Items		
Personnel Expense	7.3%	8.1%
• 2 Positions	x	x
• Talent Overlap Strategy - \$200K	x	x
Projected Budget Range	3.8% to 6.3%	5.1% to 7.4%



Working Capital

- **The 2020 Working Capital Reserve will be utilized to manage cash flow for daily operations and to stabilize and minimize large fluctuations in the annual assessments.**
 - Developed a multi-year plan that provides stakeholders with a pragmatic expectation of future assessments.
- **For 2020, \$1,173K of working capital reserve is being utilized to offset the assessment and minimize the variance from the 2019 assessment.**
- **The Targeted Working Capital balance of \$1,528K will be used to stabilize assessments in future years.**



Operating Reserve

- **It is the policy of ReliabilityFirst to maintain 10% of the budgeted year's expenses, or a minimum of \$1,000,000, as the Operating Reserve.**
- **This amount is determined and recommended for approval by our Finance and Audit Committee during the annual budget process.**
- **For 2020, ReliabilityFirst Board approved a \$1,000,000 operating reserve.**
- **The Operating Reserve Fund is set aside each year with the intention of providing for unbudgeted or unexpected expenditures.**



Questions & Answers

Forward Together  **ReliabilityFirst**