

2024 BUSINESS PLAN & BUDGET OVERVIEW



RELIABILITY FIRST

BUDGET DRIVERS

Personnel Cost make up 86% of total budget

- Adding 7 FTEs
 - 4 CMEP function areas
- Full effect of unbudgeted salary adjustments made in 2022
 - Equity adjustments
 - Inflation

INVESTMENT IN SECURITY

- 1 FTE added in 2024
- Additional FTE in 2025
- Dedicated staff in 2025 = 5 FTEs
- New FTEs focus will be both internal and external
 - Internal controls
 - External outreach



BUDGET DEVELOPMENT PROCESS

FORWARD TOGETHER  RELIABILITYFIRST



BUDGET AND ASSESSMENT OVERVIEW

2024 Budget \$31,324,535

- 12% increase over 2023

Assessment: \$26,959,272

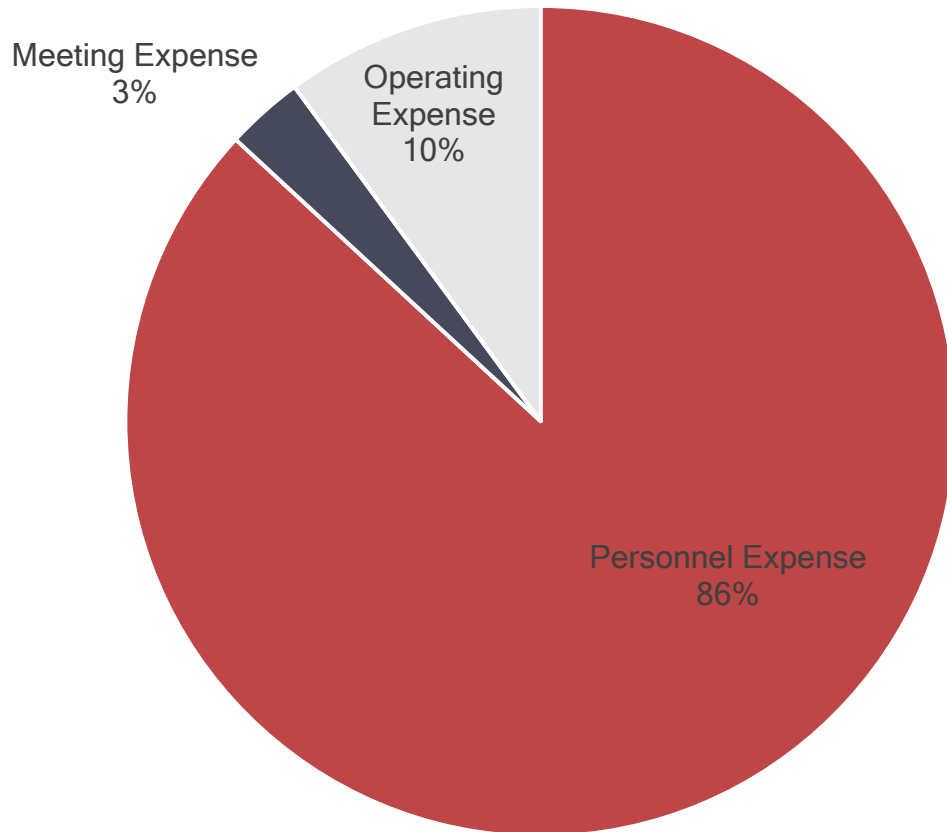
- 9.5% increase from 2023
- Releasing approximately \$0.9M in penalties and \$3.5M in reserves

Total FTEs: 98

- 7 FTEs being added in 2024

BUDGET OVERVIEW

2024 Budget Breakout



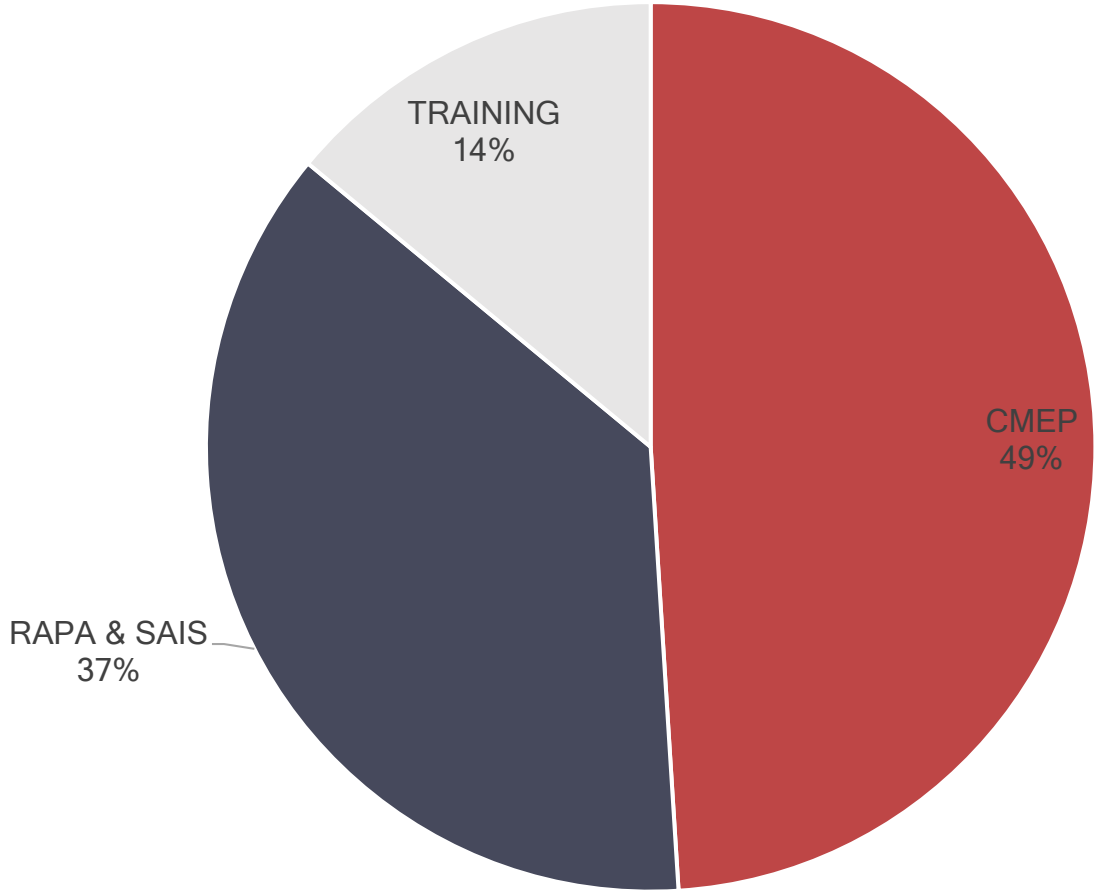
■ Personnel Expense ■ Meeting Expense ■ Operating Expense

BUDGET BY CATEGORY

2024 BUDGET INCREASE (DECREASE) FROM 2023				
	Total 2024 Budget	Total Change from 2023		% of Total Budget Increase
Personnel Expenses				
Salaries	\$ 19,495,380	\$ 2,581,637		77%
Payroll Taxes	\$ 1,232,095	\$ 179,207		5%
Benefits	\$ 2,985,469	\$ 211,551		6%
Retirement Costs	\$ 3,145,630	\$ 439,069		13%
Total Personnel Expenses	\$ 26,858,575	\$ 3,411,464		
Operating Expenses				
Meetings	\$ 432,855	\$ (0)		0%
Conference Calls	\$ -	\$ (15,000)		0%
Travel	\$ 648,100	\$ 0		0%
Consultants & Contracts	\$ 553,700	\$ (283,849)		-8%
Office Rent	\$ 852,751	\$ 170,167		5%
Office Costs	\$ 1,011,134	\$ (55,613)		-2%
Professional Services	\$ 741,816	\$ 55,901		2%
Miscellaneous	\$ 48,704	\$ (855)		0%
Fixed Asset Additions	\$ 176,900	\$ 66,900		2%
Total Operating Expenses	\$ 4,465,960	\$ (62,349)		
Totals	\$ 31,324,535	\$ 3,349,114		

BUDGET BY PROGRAM AREA

2024 Budget



RESERVE OVERVIEW

Objective

- Stabilize annual assessments to minimize large fluctuations
- Provide stakeholders with a pragmatic expectation of future assessment changes

Assumptions

- Penalty dollars released on average (without anomalies) \$1,000,000.
- 2025 and 2026 budgets increase based upon projections.
- The Working Capital Reserve does not include the \$1M Operating Reserve

OPERATING RESERVE POLICY

- 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.
- For 2024, 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.

PROJECTED RESERVE BALANCE

Working Capital Reserve

- Utilized to manage cash flow for daily operations
- Stabilizes and minimizes large fluctuations in the annual assessments.
- Developed a multi-year plan that provides stakeholders with a pragmatic expectation of future assessments.

Targeted Working Capital balance of approximately \$2.9M will be used to stabilize assessments in future years.

Projected Reserve Balances

	12/31/23	12/31/24
Working Capital	\$5.8M	\$2.9M
Operating Reserve	\$1M	\$1M
Unreleased Penalties and Ending Assessment Stabilization Reserve	\$1.5M	-

PRELIMINARY 2025 BUDGET

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Budget Projections: 4.3% - 6.5%		
Personnel Expenses <ul style="list-style-type: none"> • Wages 4% • Medical/Dental Premiums 6% • Hire 1 FTE 	4.6%	
Meeting Expenses	2%	
Travel Expenses	2%	
Operating Expenses	2.5%	
Fixed Assets	1%	
Projected 2025 Low End Estimate		4.3%
Additional Budget Items		
Personnel Expenses <ul style="list-style-type: none"> • Wages 4% • Medical/Dental Premiums 6% • Hire 1 additional FTE (2 total) 	6.6%	
Meeting Expenses	7%	
Travel Expenses	7%	
Operating Expenses	5.4%	
Projected 2025 High End Estimate		6.5%

PRELIMINARY 2026 BUDGET

Budget Projections: 3.8% - 8.2%

Personnel Expenses <ul style="list-style-type: none"> • Wages 4% • Medical/Dental Premiums 6% • Includes 1 FTE from low end 2025 budget estimate 	4%	
Meeting Expenses	2%	
Travel Expenses	2%	
Operating Expenses	2.9%	
Fixed Assets	1%	
Projected 2025 Low End Estimate		3.8%
Additional Budget Items		
Personnel Expenses <ul style="list-style-type: none"> • Wages 4% • Medical/Dental Premiums 10% • Hire 3 additional FTEs 	8.5%	
Meeting Expenses	7%	
Travel Expenses	7%	
Operating Expenses	5.4%	
Projected 2025 High End Estimate		8.2%

QUESTIONS & ANSWERS

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