

# WECC

## Draft 2018 Business Plan and Budget

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# 2018 Statutory Budget Overview

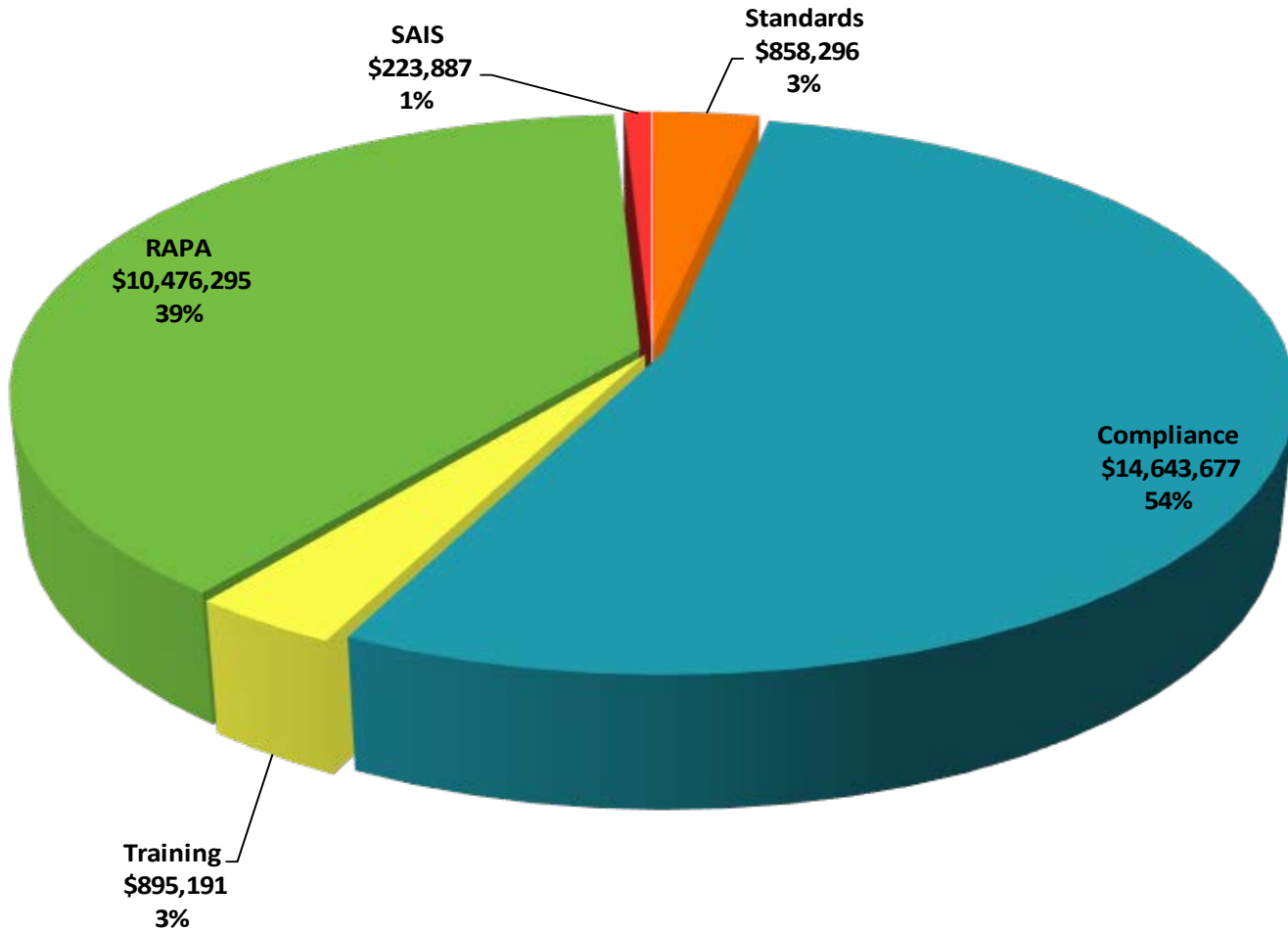
- Budget increases \$300K (1.12%)
- Assessments held flat
- Headcount increases by 3 (3.0 FTE)
  - Project Manager
  - Project Coordinator
  - Risk Analyst

# 2018 Draft Budget by Category

	2018 Budget	2017 Budget	Variance \$ Incr(Decr)	Variance % Incr(Decr)	Primary Drivers
<b>Funding</b>					
Assessments	\$25,282,000	\$25,282,000	\$ -	0.0%	Increase in Penalties collected
Penalties	1,663,000	1,059,500	603,500	57.0%	Confirmed violations approved by FERC and collected
Other Income	615,050	662,876	(47,826)	-7.2%	
<b>Total Funding</b>	<b>\$27,560,050</b>	<b>\$27,004,376</b>	<b>\$ 555,674</b>	<b>2.1%</b>	
<b>Expenses</b>					
Personnel Expenses	\$19,871,271	\$19,229,726	\$ 641,545	3.3%	3% merit pool, labor float adj, +3 FTE, insurance premium incr
Meeting Expenses	2,231,994	2,082,329	149,665	7.2%	Increase in travel for risk-based CMEP, CIP V5, CIP-014
Operating Expenses <sup>1</sup>	5,470,080	5,977,025	(506,945)	-8.5%	Decrease in consulting (\$401K) and Board Director comp (\$51K)
Indirect Expenses	(545,300)	(610,702)	65,402	-10.7%	Decrease in Corp Services budget; increase in statutory FTE
<b>Total Expenses</b>	<b>\$27,028,045</b>	<b>\$26,678,378</b>	<b>\$ 349,667</b>	<b>1.3%</b>	
<b>Fixed Assets<sup>1</sup></b>	<b>\$ 69,301</b>	<b>\$ 118,550</b>	<b>\$ (49,249)</b>	<b>-41.5%</b>	Transition to cloud-based storage
<b>Total Budget</b>	<b>\$27,097,346</b>	<b>\$26,796,928</b>	<b>\$ 300,418</b>	<b>1.1%</b>	
<b>Change in Working Capital</b>	<b>\$ 462,704</b>	<b>\$ 207,448</b>	<b>\$ 255,256</b>		
<b>FTES</b>	<b>143.00</b>	<b>140.00</b>	<b>3.00</b>	<b>2.1%</b>	

<sup>1</sup> Depreciation excluded from these values

# 2018 Budget by Program Area



# 2017 – 2018 FTE Comparison

Total FTEs by Program Area	Budget 2017	Projection 2017	Direct FTEs 2018 Budget	Shared FTEs* 2018 Budget	Total FTEs 2018 Budget	Change from 2017 Budget
<b>STATUTORY</b>						
<b>Operational Programs</b>						
Reliability Standards	3.0	3.0	3.0	0.0	3.0	-
Compliance Monitoring and Enforcement and Organization Registration and Certification	55.0	54.0	59.0	0.0	59.0	4.0
Training, Education, and Stakeholder Outreach	2.0	1.3	1.3	0.0	1.3	(0.7)
Reliability Assessment and Performance Analysis	36.0	36.0	38.0	0.0	38.0	2.0
Situation Awareness and Infrastructure Security	1.0	1.0	1.0	0.0	1.0	-
<b>Total FTEs Operational Programs</b>	<b>97.0</b>	<b>95.3</b>	<b>102.3</b>	<b>0.0</b>	<b>102.3</b>	<b>5.3</b>
<b>Corporate Services</b>						
Technical Committees and Member Forums	0.0	0.0	0.0	0.0	0.0	-
General & Administrative	19.0	18.0	16.8	0.0	16.8	(2.3)
Information Technology	8.0	8.0	8.7	0.0	8.7	0.7
Legal and Regulatory	7.0	7.0	7.0	0.0	7.0	-
Human Resources	4.0	4.0	4.0	0.0	4.0	-
Finance and Accounting	5.0	4.0	4.3	0.0	4.3	(0.8)
<b>Total FTEs Corporate Services</b>	<b>43.0</b>	<b>41.0</b>	<b>40.7</b>	<b>0.0</b>	<b>40.7</b>	<b>(2.3)</b>
<b>Total FTEs</b>	<b>140.0</b>	<b>136.3</b>	<b>143.0</b>	<b>0.0</b>	<b>143.0</b>	<b>3.0</b>

\*A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.

# Statutory Working Capital Reserves

- Reserves increase \$463K
- No changes to reserve policy
  - Current target is range of 1 to 2 months of OpEx
  - Use for assessment stabilization in future years
- Projected 2018 EOY balance of \$5.36 million

# 2019 and 2020 Statutory Budget

- 2019 projection
  - Budget increases \$35,000 (0.1%)
  - Assessments increase \$253,000 (1.0%)
  - No additional FTE
  - Personnel Expenses increase \$619,000 (3.1%)
  - Consulting decreases \$600,000 (29.7%)
- 2020 projection
  - Budget increases \$733,000 (2.7%)
  - Assessments increase \$255,000 (1%)
  - No additional FTE
  - Personnel Expenses increase \$639,000 (3.1%)
  - Consulting decreases \$100,000
  - Rent increases \$155,000

# Q&A

