



# **2015 Business Plan and Budget**

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## Significant Changes from Draft v1.1

- Assessments held flat from 2014 budget (decrease of 0.025% or \$3,465)
  - Draft v1.1 – Decrease of .007% or \$893
- Operating expenses decreased 5.22% from 2014 budget
  - Draft v1.1 – Decrease of 3.73%
- Reserves
  - Total reserve included in 2015 budget - \$3,538,500
    - Reserve - \$1,600,000
    - Temporary Increase - \$1,938,500



## Significant Changes from Draft v1.1

- Personnel Expense (decreased \$236,982)
  - Changes in personnel structure
  - Benefit costs increased
    - Increase in dental premiums based on actual increase
- Consultants Expense (decreased \$15,000)
  - Restoration Drill
    - Increased \$27k (from \$46k to \$73k)
    - The drill has expanded significantly, creating the need for two locations
  - Scheduled checkout tool – decreased \$42,000
    - Decreased number of anticipated participation

## 2014 Year-end Forecast

- Estimated under-run of \$1.2M
  - Primarily due to staffing
  - 2015 budget includes a vacancy rate
- Unknown relocation costs not included

## 2016 and 2017 Assumptions

- Projected budget increases
  - 2016 – Flat
    - Assessments – 0.5% increase
    - Expenses – 0.9% decrease
  - 2017 expenses – flat
    - Assessments – 0.1% decrease
    - Expenses – 0.7% increase
  - Removed 2015 one-time expenditures
  - Added in 2016/2017 one-time expenditures
  - Applied 1% or 3% standard increase

## Working Capital & Operating Reserve

- Equal to up to 10% of its budgeted annual statutory operating costs
  - Approximately 2 months of expenses
- Controls surrounding the use of reserves:
  - President provides a report at the next regular meeting of the Board
- Future use of reserves:
  - Excess operating and working capital reserves are applied to 2015 funding
  - Maintain level assessments



**Questions?**