Finance Initiatives

- **Annual Budget Process**: Annually (Jan-Aug)
- **Rate Study Update**: Original: 2014, Update: 2020
- **Cost Allocation Study**: Study and Policies: 2019 (Apr-Oct)

**Update Timeline**:
- Original: 2014
- Update: 2020
- Policy: 2019 (Jan-Jun)
- Study: 2016
- Study and Policies: 2019 (Apr-Oct)
Why do we need a reserve policy?
What are the reserve policy components?

- Reserve Accounts
- Funding Targets
- Funding Sources
- Priority of Funding
- Use of Funds
- Timing of Full Funding
What are the reserve funds?

- **Designated Capital**
- **Capital**
- **Exposure**
- **Fleet Replacement**
- **Operating**

All Values DRAFT and APPROXIMATE

<table>
<thead>
<tr>
<th>Reserve Fund (millions)</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>$140</td>
<td></td>
</tr>
<tr>
<td>$120</td>
<td></td>
</tr>
<tr>
<td>$100</td>
<td></td>
</tr>
<tr>
<td>$80</td>
<td></td>
</tr>
<tr>
<td>$60</td>
<td></td>
</tr>
<tr>
<td>$40</td>
<td></td>
</tr>
<tr>
<td>$20</td>
<td></td>
</tr>
</tbody>
</table>
How will reserves be funded?

- Transfer from Working Cash
- Other
- Enterprise / Conveyance Revenues
- Budget Line Item

All Values DRAFT and APPROXIMATE
What are the next steps?

**January**
- Background

**April**
- Framework Policy

**May**
- Proposed Policy
- Release for Comment

**June**
- Hearing
- Adopt Policy