

BHE/MTA 5 year projections

| FY Years | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | |
|---|--------------|--------------|----------------|----------------|----------------|--|
| Employer Contributions | \$ 7,186,984 | \$ 7,186,984 | \$ 7,186,984 | \$ 7,186,984 | \$ 7,186,984 | |
| Premium | \$ 7,062,000 | \$ 7,556,340 | \$ 8,085,284 | \$ 8,651,254 | \$ 9,256,841 | 7% annual increases |
| Operating Expenses (Acctg, Admin, Legal, consulting) | \$ 220,000 | \$ 231,000 | \$ 242,550 | \$ 254,678 | \$ 267,411 | 5% annual increases |
| Net difference | \$ (95,016) | \$ (600,356) | \$ (1,140,850) | \$ (1,718,947) | \$ (2,337,269) | \$ (5,892,438) total revenue shortfall |
| Shortfall as a percent of contributions | -1.32% | -8.35% | -15.87% | -23.92% | -32.52% | |

Note - Investment income over the past few years has allowed us to put some more money into reserves. This can't be counted on in a budget to help alleviate our shortfalls. We need an increase in Funding.

Current reserves are at 3.4 million. Reserves should be a minimum of 6 months of expenses. 12 months is considered healthy. We are at roughly 5 months. In order to get to 12 months reserves, we will need 9.5 million in 2025/26. Total shortfall in operating revenue is estimated at \$5,892,438. Adding revenue shortfall of 5.9mm to the added reserve calculation of 6.1mm (9.5 mm needed less 3.4mm on hand); the total amount of funding necessary to reach our goals is 12mm.

If we were to get an additional 2.4 million per year, we could assure that the Fund will be in sound fiscal shape. This would necessitate a 5 year contract with a one time 33% increase in Funding. This would be a one time increase and result in level funding for the next 5 years. It is important to note that we have been level funded for the last 3-5 years.

We receive approximately \$15 per week per member (on average). If this were increased by \$5 for 7/1/21, we would be able to accomplish the goals outlined above