R-16-196

RESOLUTION NO. _____

A RESOLUTION ADOPTING A BUDGET FOR THE 2017 FISCAL YEAR FOR THE NORTH LITTLE ROCK ELECTRIC DEPARTMENT; AND FOR OTHER PURPOSES.

WHEREAS, the proposed budget for the North Little Rock Electric Department for the fiscal year 2017 is attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, a budget narrative reflecting contemplated expenditures during the 2017 fiscal year for the North Little Rock Electric Department is attached hereto as Exhibit "B" and incorporated herein by reference; and

WHEREAS, the City Council should appropriate funds to facilitate the rapid recovery from a disaster emergency, as defined by law.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: **Appropriation.** The budget of the North Little Rock Electric Department attached hereto as Exhibit "A" is hereby approved. The General Manager of the North Little Rock Electric Department is authorized to spend budgeted funds for operations, maintenance, capital and replacement expense of the department, subject to applicable legal, fiscal and executive limitations. The budget narrative attached hereto as Exhibit B reflects expenditures that are contemplated during the 2017 fiscal year. The General Manager shall be authorized to reallocate funds from one purpose to another according to the needs of the department, *provided that* such reallocation shall be (a) compliant with applicable legal, fiscal and executive limitations; and (b) periodically reported to City Council.

SECTION 2: **Work Orders.** In addition to the appropriations described in Section 1, the General Manager of the North Little Rock Electric Department is hereby authorized to spend funds in the performance of work to be reimbursed by customers in the normal course of business. The General Manager shall account for such expenditures and reimbursements according to each project. To the extent that any legal, fiscal or executive requirement mandates identification of a reimbursable project within the budget, the General Manager shall comply with the same.

SECTION 3: **Disaster Emergencies.** In addition to the appropriations described in Section 1, the General Manager of the North Little Rock Electric Department is hereby authorized to spend funds, not to exceed one million dollars ($1,000,000.00), as necessary to restore power following the declaration of a disaster emergency under Ark. Code Ann. 12-75-101, et seq. Expenditures shall comply with

applicable legal, fiscal and executive limitations. The General Manager shall timely report all expenditures made under this authority to City Council.

SECTION 4: **Severability.** In the event any title, section, paragraph, item, sentence, clause, phrase, or word of this Resolution is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of this Resolution, which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of this Resolution.

SECTION 5: **Repealer.** All ordinances or resolutions of the City in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 6: **Effective date.** This Resolution shall be effective from and after its passage and approval.

PASSED:

APPROVED:

Mayor Joe A. Smith

SPONSOR:

Mayor Joe A. Smith

ATTEST:

Diane Whitbey, City Clerk

APPROVED AS TO FORM:

C. Jason Carter, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/JC

FILED 11:15 A.M. _____ P.M.
By City Atty Carter
DATE 12-6-16
Diane Whitbey, City Clerk and Collector
North Little Rock, Arkansas
RECEIVED BY S. Ussery

NORTH LITTLE ROCK ELECTRIC DEPARTMENT
PROPOSED 2017 BUDGET

EXHIBIT "A"

				2017
I.	**Estimated Beginning Cash Balance**			**21,000,000**
II.	**Revenue - Sale of Electricity**			
	a.	Sales - Residential	40,122,000	
	b.	Sales - Commercial	25,276,000	
	c.	Sales - Industrial	21,182,000	
	d.	Sales - Street & Highway Lighting	302,000	
	e.	Sales - Other Public Authorities	1,953,000	
	f.	Sales - Lighting	165,000	**89,000,000**
III.	**Other Income**			
	a.	Interest Income	50,000	
	b.	Miscellaneous Service Income 20K & Green Tags 60K	80,000	
	c.	Other Miscellaneous Income & Late Penalties	950,000	
	d.	Other Income - pole rental, etc.	100,000	
	e.	Hydro Debt Service Reserve for Unit #1 Overhaul	4,000,000	
	f.	Ben E. Keith Grant for Distributed Generation Plant	1,500,000	**6,680,000**
IV.	**Cost of Power (Includes all Hydro Costs)**			**44,372,000**
V.	**Personnel Costs (Net of Hydro)**			**7,967,139**
VI.	**Operating & Maintenance Expenses (Net of Hydro)**			**8,788,400**
VII.	**Capital Expenditures - Non Replacements (Net of Hydro)**			**6,330,100**
VIII.	**Capital Expenditures - Replacements (Net of Hydro)**			**1,943,000**
IX.	**Transfers to the "Depreciation/Reserve Fund"**			**2,216,000**
X.	**Operating Transfers to City of NLR**			**12,000,000**
XI.	**Bond Debt Service (Net of Hydro)**			**3,451,000**
Total Budget Request Including Transfers & Bond Debt Service				**87,067,639**
Estimated Cash, Revenue & Other Income (I, II, III)				**116,680,000**
Less Total Budget Requests (IV - X)				**87,067,639**
ESTIMATED ENDING CASH BALANCE AFTER BUDGET REQUESTS				**29,612,361**

NORTH LITTLE ROCK ELECTRIC DEPARTMENT
PROPOSED 2017 BUDGET (Detailed Backup)

					2017
I.	**Estimated Beginning Cash Balance**			1	**21,000,000**
II.	**Revenue - Sale of Electricity**				
	a.	Sales - Residential	40,122,000	1	
	b.	Sales - Commercial	25,276,000	1	
	c.	Sales - Industrial	21,182,000	1	
	d.	Sales - Street & Highway Lighting	302,000	1	
	e.	Sales - Other Public Authorities	1,953,000	1	
	f.	Sales - Lighting	165,000	1	
		Total for Revenue - Sale of Electricity		1	**89,000,000**
III.	**Other Income**				
	a.	Interest Income	50,000	1	
	b.	Miscellaneous Service Income 20K & Green Tags 60K	80,000	1	
	c.	Other Miscellaneous Income & Late Penalties	950,000	1	
	d.	Other Income - pole rental, etc.	100,000	1	
	e.	Hydro Debt Service Reserve for Unit #1 Overhaul	4,000,000	1	
	f.	Ben E. Keith Grant for Distributed Generation Plant	1,500,000	1	
		Total for Other Income		1	**6,680,000**
IV.	**Cost of Power**				
	a.	Purchase Power - TEA	14,100,000	1	
	b.	Purchase Power - Waste Management	750,000	1	
	c.	Purchase Power (Net of Sales) - Plum Point 1	8,890,000	1	
		Total Purchase Power	**23,740,000**	1	
	d.	MISO Tariff Charges (Transmission)	5,800,000	1	
	e.	Entergy Distribution Substation Charges	270,000	1	
		Total MISO Tariff & Entergy Costs	**6,070,000**	1	
	f.	Hydro Debt Service	2,222,000	1	
	g.	Hydro Capital & Replacement Additions	4,751,000	1	
	h.	Hydro Fixed Operating & Maintenance Costs	1,466,000	1	
	i.	Hydro Personnel Costs	973,000	1	
		Total Murray Hydro Plant Costs	9,412,000	1	
	j.	Other Cost of Power	5,150,000	1	
		Total Other Cost of Power	**5,150,000**	1	
		Total Cost of Power		1	**44,372,000**
V.	**Personnel Costs**				
	a.	Salaries (see salaries worksheet)	6,212,523	1	
	b.	Longevity Pay (see salaries worksheet)	88,056	1	
	c.	Overtime (6%)	378,035	1	
	d.	Holiday Pay (.2%)	12,601	1	
	e.	FICA	414,855	1	
	f.	Medicare	97,023	1	
	g.	Pension (see salaries worksheet)	564,193	1	
	h.	Worker's Comp	198,000	1	
	i.	Life Insurance (Included with Health Insurance)	-	1	
	j.	Health Insurance (see salaries worksheet)	908,897	1	
	k.	Sick Leave Bonus (40% of personnel)	8,000	1	
	l.	Long Term Disability Insurance	27,956	1	
	m.	Employee pay differential - Hydro	30,000	1	
		Total Personnel Costs	**8,940,139**	1	
		Hydro Personnel Costs Moved to Cost of Power	(973,000)	1	
		Total Personnel Costs (Net of Hydro)		1	**7,967,139**

NORTH LITTLE ROCK ELECTRIC DEPARTMENT
PROPOSED 2017 BUDGET (Detailed Backup)

				2017
VI.	Operating & Maintenance Expenses (See "Requests Summary")		1	8,788,400
VII.	Capital Expenditures - Non Replacements (See "Requests Summary")		1	6,330,100
VIII.	Capital Expenditures - Replacements (See "Requests Summary")		1	1,943,000
IX.	Transfers to the "Depreciation/Reserve Fund"		1	2,216,000
X.	Operating Transfers to City of NLR		1	12,000,000
XI.	Bond Debt Service	5,673,000	1	
	Hydro Portion of Debt Service Moved to Cost of Power	(2,222,000)	1	
	Bond Debt Service (Net of Hydro)		1	3,451,000
Total Budget Request Including Transfers & Bond Debt Service			1	87,067,639
Estimated Cash, Revenue & Other Income (I, II, III)			1	116,680,000
Less Total Budget Requests (IV - X)			1	87,067,639
ESTIMATED ENDING CASH BALANCE AFTER BUDGET REQUESTS			1	29,612,361

NORTH LITTLE ROCK ELECTRIC DEPARTMENT
ACCOUNTING LOCATIONS

100 - General Manager and Administrative (James Bray)
500 - Systems Engineering (Eric Heinrichs)
510 - Distribution Engineer (Andy Johnson)
520 - Design Engineering (Greg Woodward)
530 - Substation Maintenance (Andy Johnson)
540 - Information Systems, Telecommunications & Radio Dispatch (Joe Martin)
550 - Energy Services and Communication (Jill Ponder)
560 - Hydro Operations (Jessica Stephens)
570 - Assist. General Manager/Engineering Services(Mac Bryson)
575 - Assist. General Manager (Scott Springer)
580 - Operations / Construction (Ron Osburn)
- **583** - Transportation (Kyle McNeil)
- **584** - Total Safety & Security (Roy McPhail)
- **586** - Material Management (Ron Osburn & Karen Allen)
- **587** - Meter Department (Terrence Williams)

600 - Cost of Power-Other (Jessica Stephens)

CATEGORY LEGENDS

C - Capital Assets - Non Replacements
O - O & M Expenses
R - Capital Assets - Replacements

NORTH LITTLE ROCK ELECTRIC DEPARTMENT
REQUESTS BY LOCATION & CATEGORY
BUDGET LINE ITEMS WORKSHEET
FOR THE 2017 BUDGET

EXHIBIT "B"

Location	Category	Item	Description	2017 Amount	2016 Amount	DIFFERENCE
100	C	99	Unbudgeted	-	-	-
100	O	2	Memberships-other	1,000	1,000	-
100	O	6	Travel	15,000	25,000	(10,000)
100	O	8	Publications	500	1,500	(1,000)
100	O	10	Professional training	10,000	10,000	-
100	O	11	Annual Audit $13,000 and Bond Arbitrage $8,000	21,000	16,000	5,000
100	O	14	Electricity, Gas, Water	87,000	87,000	-
100	O	15	Property, Legal, Vehicle, Liability Insurance	110,000	130,000	(20,000)
100	O	17	NLR Economic Development - Promo Costs	550,000	275,000	275,000
100	O	18	Bond Trustee Fees	10,000	10,000	-
100	O	21	Sherwood Franchise Taxes	600,000	600,000	-
100	O	22	Payments to Utilities Accounting	2,300,000	2,300,000	-
100	O	23	Office Supplies & Misc. Items	30,000	35,000	(5,000)
100	O	24	Sherwood Franchise Tariff	470,000	470,000	-
100	O	25	AMPA Activities	40,000	50,000	(10,000)
100	O	63	Property Rental at Airport for Electric Building	70,000	70,000	-
100	O	65	Committee, Meeting and Employee Support	10,000	10,000	-
100	O	66	Claims	15,000	25,000	(10,000)
100	O	67	S&P Rating Surveillance- 2012 Bonds	7,500	7,500	-
100	O	99	Unbudgeted	-	-	-
100	R	99	Unbudgeted	-	-	-
			Total General Manager and Admin (James Bray)	4,347,000	4,123,000	224,000
500	C	1	McCain Substation Engineering Design Studies & Upgrades	1,500,000	2,500,000	(1,000,000)
500	C	2	Distribution System Improvements	590,000	520,000	70,000
500	C	3	System Inventory-Milsoft System	435,000	617,000	(182,000)
500	C	4	GIS and Dist. Design-Implementation, Training and Expenses	-	30,000	(30,000)
500	C	5	Contractors for Rotten Pole Replacement-Non Emergency	25,000	125,000	
500	C	99	Unbudgeted	-	-	-
500	O	1	Training	15,000	20,000	(5,000)
500	O	2	Travel	15,000	20,000	(5,000)
500	O	4	Engineering Consulting	200,000	215,000	(15,000)
500	O	99	Unbudgeted	-	-	-
500	R	99	Unbudgeted	-	-	-
			Total Systems Engineering (Eric Heinrichs)	2,780,000	4,047,000	(1,267,000)
510	C	99	Unbudgeted	-	-	-
510	O	1	Shared Maint. Ownership Station Equip	19,000	18,000	1,000
510	O	5	Inspection & Maintenance Services for Rotten Poles, etc	155,000	150,000	5,000
510	O	12	Tree Trimming contractor-Apple(moved from #580)	1,200,000	1,200,000	-

Location	Category	Item	Description	2017 Amount	2016 Amount	DIFFERENCE
510	O	13	Distribution Equipment Replacement	25,000	25,000	-
510	O	99	Unbudgeted	-	-	-
510	R	5	Equipment Replacement	30,000	30,000	-
510	R	13	Contractors for Rotten Pole Replace. Emergency	75,000	100,000	(25,000)
510	R	99	Unbudgeted	-	-	-
			Total Distribution Engineer (Andy Johnson)	1,504,000	1,523,000	(19,000)
520	C	3	Boring - Underground	25,000	20,000	5,000
520	C	6	Guard Rails	5,000	10,000	(5,000)
520	C	9	Furniture and Office Equipment	1,500	2,500	(1,000)
520	C	99	Unbudgeted	-	-	-
520	O	1	Equipment, Uniforms and Misc. Materials	30,000	30,000	-
520	O	6	PAGIS Membership costs for City/NLRED	79,000	79,000	-
520	O	8	Mapping Updates	-	5,000	(5,000)
520	O	9	AutoCad/Milsoft Consultant & Training	15,000	15,000	-
520	R	12	Capacitor Units (due to lightning)	10,000	10,000	-
520	R	99	Unbudgeted	-	-	-
			Total Design Engineering (Greg Woodward)	165,500	171,500	(6,000)
530	C	99	Unbudgeted	-	-	-
530	O	1	Storage/Work Area	25,000	100,000	(75,000)
530	O	3	Substation Testing and Maintenance	35,000	15,000	20,000
530	O	4	Tools/Materials	20,000	20,000	-
530	O	8	ARKUPS	55,000	55,000	-
530	O	10	Ground Maint/Erosion Prot./Weed Control	17,000	15,000	2,000
530	O	99	Unbudgeted	-	-	-
				-		
530	R	1	RTU/Relay Replacement	100,000	45,000	55,000
530	R	99	Unbudgeted	-	-	-
			Total Substation Maintenance (Andy Johnson)	252,000	250,000	2,000
540	C	3	New Technology	20,000	20,000	-
540	C	4	Security Upgrades	-	100,000	(100,000)
540	C	8	Sharepoint/Lync Collaboration Software	50,000	100,000	(50,000)
540	C	9	Fiber City to Lynch Drive Substation	300,000	300,000	-
540	C	10	Fiber Broadway to Lynch Fire Station	30,000	30,000	-
540	C	11	Fiber to Animal Shelter(City Requested)	34,000	-	34,000
540	C	12	Fiber to Parkhill Fire/Neighborhood Services(City Requested)	14,600	-	14,600
540	C	99	Unbudgeted	-	-	-
540	O	12	Outside support & programming for computers, acctg sup, etc.	55,000	62,000	(7,000)
540	O	14	Training, books, videos, cd instructor led training	15,000	15,000	-

Location	Category	Item	Description	2017 Amount	2016 Amount	DIFFERENCE
540	O	32	Travel	10,000	15,000	(5,000)
540	O	33	Telephone	140,000	125,000	15,000
540	O	34	Internet & Misc. Communications	133,600	70,000	63,600
540	O	35	Maintenance Hardware	200,000	120,000	80,000
540	O	36	Uniforms	-	2,000	(2,000)
540	O	37	Software upgrades/Maintenance/Technical Support	265,000	265,000	-
540	O	99	Unbudgeted	-	-	-
540	R	8	Security	10,000	20,000	(10,000)
540	R	14	Office Furniture	5,000	10,000	(5,000)
540	R	18	Radios	20,000	20,000	-
540	R	27	Information Technology Equipment	300,000	300,000	-
540	R	99	Unbudgeted	-	-	-
			Total Information Systems, Telecom. & Radio Dispatch (Joe Martin)	1,602,200	1,574,000	28,200
550	C	1	Energy Measurement & Communication Equipment	4,000	4,000	-
550	C	99	Unbudgeted	-	-	-
550	O	1	Customer Communications	100,000	100,000	-
550	O	2	Training	9,000	9,000	-
550	O	3	Travel	12,000	12,000	-
550	O	4	Supplies	5,500	5,500	-
550	O	5	Outreach & Education	25,000	25,000	-
550	O	7	Low Income Customer Assistance	150,000	150,000	-
550	O	8	Conservation & Demand-Side Management Programs	25,000	25,000	-
550	O	9	Customer Service Enhancements	100,000	25,000	75,000
550	O	99	Unbudgeted	-	-	-
550	R	99	Unbudgeted	-	-	-
			Total Energy Services & Communication (Jill Ponder)	430,500	355,500	75,000
560	C	1	Storage Building	500,000	-	500,000
560	C	2	Unit 1 25 Year Turbine Overhaul(Funded Reserve in 2016)	4,000,000	-	4,000,000
560	C	3	Deck Sealing	-	65,000	(65,000)
560	C	4	Intake Crane Repairs	60,000	75,000	(15,000)
560	C	99	Unbudgeted	-	-	-
						-
560	O	4	Stop log repairs	-	10,000	(10,000)
560	O	7	Lube/Hydraulic oil filters	-	15,000	(15,000)
560	O	8	Waste Oil Disposal	10,000	10,000	-
560	O	11	Crane Services	15,000	15,000	-
560	O	14	COE power bill	40,000	40,000	-
560	O	15	Plant Painting	15,000	15,000	-
560	O	17	Normal generation operation expenses	105,000	80,000	25,000
560	O	18	NPDES monitoring	15,000	15,000	-
560	O	19	Normal generation plant maint. & supplies	365,000	365,000	-
560	O	23	Engineering Services	100,000	100,000	-
560	O	25	Hydro Insurance	290,000	290,000	-

Location	Category	Item	Description	2017 Amount	2016 Amount	DIFFERENCE
560	O	26	Hydro Regulatory Fees (FERC)	220,000	220,000	-
560	O	27	FERC Hydro Headwater Benefit Fee	20,000	30,000	(10,000)
560	O	31	Reliability & Compliance (combined with Mac's 570-05/07)	116,000	111,000	5,000
560	O	32	Professional Development	10,000	15,000	(5,000)
560	O	33	Travel	10,000	15,000	(5,000)
560	O	34	Overtop Maintenance and Cleanup	100,000	10,000	90,000
560	O	35	Chipper Support (rental of equipment)	15,000	15,000	-
560	O	36	Right of Way Maintenance	20,000	20,000	-
560	O	99	Unbudgeted	-	-	-
						-
560	R	1	Furniture Fixtures and Equipment	30,000	40,000	(10,000)
560	R	2	Packing Gland	85,000	-	85,000
560	R	3	Paging System	15,000	15,000	-
560	R	6	Stop Log Seals & Anodes	6,000	6,000	-
560	R	9	Tool Replacement	20,000	20,000	-
560	R	10	Piping replacement	30,000	30,000	-
560	R	11	Unit 1 Discharge Ring Replacement	-	780,000	(780,000)
560	R	16	Gate Arm Replacement	5,000	5,000	-
560	R	17	Intake Strainers	-	75,000	(75,000)
560	R	99	Unbudgeted	-	-	-
			Total Hydro Operations (Jessica Stephens)	6,217,000	2,502,000	3,715,000
			NOTE: LOCATION 560 MOVED TO COST OF POWER - EXHIBIT "A"			
570	C	99	Unbudgeted	-	-	-
						-
570	O	1	Conferences and Training	3,000	3,000	-
570	O	2	Travel	5,000	5,000	-
570	O	3	Literature-Books, Home Energy Magazine Subscription	300	300	-
570	O	4	Cost of Service Study/Retail Rate Design	45,000	30,000	15,000
570	O	8	Northstar Updates	20,000	-	20,000
570	O	99	Unbudgeted	-	-	-
570	R	99	Unbudgeted	-	-	-
			Total- Assist. Gen. Mgr./Engineering Services (Mac Bryson)	73,300	38,300	35,000
575	C	99	Unbudgeted	-	-	-
575	O	1	Policies and Training(Review/update training within dept)	5,000	5,000	-
575	O	2	Community Outreach Program(Promote Dept in NLR/Sherwood)	5,000	5,000	-
575	O	3	Conference & Training	5,000	8,000	(3,000)
575	O	4	Travel	5,000	8,000	(3,000)
575	O	5	Misc. Equipment and Uniforms	7,000	2,000	5,000
575	O	99	Unbudgeted	-	-	-
575	R	99	Unbudgeted	-	-	-
			Total Assistant GM (Scott Springer)	27,000	28,000	(1,000)

Location	Category	Item	Description	2017 Amount	2016 Amount	DIFFERENCE
580	C	8	New Materials Storage Building	-	920,000	(920,000)
580	C	9	Ground Protection Mats	-	2,500	(2,500)
580	C	10	Chipper	-	30,000	(30,000)
580	C	11	Chipper Truck	-	130,000	(130,000)
580	C	12	Addition to Parking Lot	-	28,156	(28,156)
580	C	13	Shelving for new Store Room	5,000	-	5,000
580	C	14	Awning Cover	75,000	-	75,000
580	C	15	Main Parking Drain	20,000	-	20,000
580	C	16	Outdoor Covered Lunch Area	85,000	-	85,000
580	C	99	Unbudgeted	-	-	-
580	O	1	Pest Control	2,000	2,000	-
580	O	2	General Maintenance - bldg trash pickup	40,000	30,000	10,000
580	O	4	General Maintenance - grounds repairs	60,000	20,000	40,000
580	O	5	General Maintenance - equipment repairs building	30,000	30,000	-
580	O	6	Flame retardant shirts and work boots PPE	30,000	30,000	-
580	O	7	General Maintenance - bldg janitorial	40,000	40,000	-
580	O	8	General Maintenance - bldg repairs	20,000	20,000	-
580	O	10	Dump fees-American Composting	20,000	20,000	-
580	O	11	Outside contractors	50,000	51,844	(1,844)
580	O	13	Right of Way Improvements	30,000	30,000	-
580	O	14	Bldg Janitorial Supplies	6,000	6,000	-
580	O	15	Training	5,000	16,000	(11,000)
580	O	16	Travel	5,000	10,000	(5,000)
580	O	18	Construction Equipment Rental	5,000	5,000	-
580	O	19	Standby Generator Maintenance	5,000	4,000	1,000
580	O	99	Unbudgeted	-	-	-
580	R	38	#21 3/4 ton Crew Truck (small bucket)2002 76,584 miles	-	130,000	(130,000)
580	R	39	#23 1 ton Crew truck (small bucket)2005 70,449 miles	-	130,000	(130,000)
580	R	40	Small Fork Lift for Store Room 2004	-	25,000	(25,000)
580	R	41	#24 Night Service truck 2010 97,866 miles	-	150,000	(150,000)
580	R	42	#10 Digger Derrick 2007 39,604 miles	-	220,000	(220,000)
580	R	43	#12 Bucket truck 2007 45,626 miles	-	200,000	(200,000)
580	R	44	Air Compressor for Hole Digger 2005	-	25,000	(25,000)
580	R	45	#101 Meter Dept. Vehicle 2005 116,850 miles	-	30,000	(30,000)
580	R	46	#102 Meter Dept. Vehicle 2006 92,900	-	30,000	(30,000)
580	R	47	#19 Dodge Durango 2005 92,000 miles	-	30,000	(30,000)
580	R	48	#55 Engineering Vehicle 2004 90,898 miles	-	30,000	(30,000)
580	R	49	#104 Engineering Vehicle 2001 131,506 miles	-	30,000	(30,000)
580	R	50	Rework Existing Storeroom/Meter Reading Area	150,000	-	150,000
580	R	51	Rework Administration Front Office	20,000	-	20,000
580	R	52	Storms	75,000	-	75,000
580	R	53	10,000 # Fork Lift Pole Yard	75,000	-	75,000
580	R	55	Substation Truck#71 2005 93,581 miles 4x4 utility bed	60,000	-	60,000
580	R	56	Substation Truck#72 2005 51,000 miles 4x4 40'MH Bucket	130,000	-	130,000
580	R	57	HVAC Controls	25,000	-	25,000
580	R	59	#41 Roy M. Vehicle-2008 102,000 miles	25,000	-	25,000
580	R	60	Digger Derick Truck #11 2007 41,251 miles	250,000	-	250,000
580	R	61	#9 2000 Chev 1 Ton Dump Bed 60,345 miles	60,000	-	60,000
580	R	99	Unbudgeted	-	-	-
			Total Operations/Construction (Ron Osburn)	1,403,000	2,455,500	(1,052,500)

Location	Category	Item	Description	2017 Amount	2016 Amount	DIFFERENCE
583	C	99	Unbudgeted	-	-	-
583	O	2	2 Trk Emission Inspection/Dielectric Testing	10,000	10,000	-
583	O	4	Pressure washer soap	-	500	(500)
583	O	7	Fuel & Oil	150,000	200,000	(50,000)
583	O	8	Parts & Repairs	140,000	140,000	-
583	O	99	Unbudgeted	-	-	-
						-
583	R	1	Tools and shop equipment	8,000	5,000	3,000
583	R	99	Unbudgeted	-	-	-
			Total Transportation (Kyle McNeil)	308,000	355,500	(47,500)
584	C	1	Substation Security	100,000	-	100,000
584	C	2	Perimeter Security 1400 W. Maryland	50,000	-	50,000
584	C	3	2017 Storeroom Surveillance Cameras	40,000	-	40,000
584	C	99	Unbudgeted	-	-	-
584	O	1	Safety Committee	7,000	-	7,000
584	O	2	Travel	10,000	-	10,000
584	O	3	Training	10,000	-	10,000
584	O	4	First Aid Kits (moved from #580)	10,000	10,000	-
584	O	5	Apprentice Training-Linemen (From #580)	15,000	15,000	-
584	O	6	In House Training (safety classes)(from #580)	5,000	3,000	2,000
584	O	99	Unbudgeted	-	-	-
584	R	99	Unbudgeted	-	-	-
			Total Safety & Security (Roy McPhail)	247,000	28,000	219,000
586	C	1	UG cable	275,000	300,000	(25,000)
586	C	2	Wire	200,000	250,000	(50,000)
586	C	3	Poles	150,000	150,000	-
586	C	4	Transformers	500,000	400,000	100,000
586	C	5	Construction Materials	450,000	425,000	25,000
586	C	7	Streetlight Materials	1,000,000	200,000	800,000
586	C	8	Poles, aluminum & accessories	125,000	125,000	-
586	C	9	Structures & Improvements	12,000	10,000	2,000
586	C	10	Safety Equipment & Supplies	25,000	50,000	(25,000)
586	C	99	Unbudgeted	-	-	-
586	O	1	Tools & materials	60,000	60,000	-
586	O	2	Disposal for PCB's-contractor (586)	25,000	25,000	-
586	O	3	Testing Rubber Goods	5,000	5,000	-
586	O	4	Rubber Goods	10,000	10,000	-
586	O	5	Locks for code officer(moved from 581)	10,000	10,000	-
586	O	99	Unbudgeted	-	-	-
				-	-	-
586	R	1	Tools & Materials(includes 584 tool requests)	65,000	60,000	5,000

Location	Category	Item	Description	2017 Amount	2016 Amount	DIFFERENCE
586	R	2	Street Lights Replacements-New Lighting Technology (from 585)	15,000	15,000	-
586	R	99	Unbudgeted	-	-	-
			Total Material Management (Ron Osburn & Karen Allen)	2,927,000	2,095,000	832,000
587	C	1	Smart Meter System Upgrades and Equipment	20,000	60,000	(40,000)
587	C	2	Current & potential transformers (primary & secondary)	14,000	14,000	-
587	C	3	Demand Meters	15,000	62,000	(47,000)
587	C	5	Consulting(consulting, travel, expenses)	30,000	75,000	(45,000)
587	C	6	Residential and Single-Phase Demand Meters	25,000	50,000	(25,000)
587	C	7	Util-Assist Operator Consulting	80,000	80,000	-
587	C	99	Unbudgeted	-	-	-
587	O	1	Smart Meter Licensing and Tech Support	200,000	175,000	25,000
587	O	2	Materials for Meter Maintenance	22,500	32,500	(10,000)
587	O	5	13-terminal meter cans, A&K-base adapters, CT & PT brackets	60,000	85,000	(25,000)
587	O	7	Maintenance and calibration of testing equipment	3,500	3,500	-
587	O	8	Meter Can Repairs	70,000	100,000	(30,000)
587	O	9	Training	10,000	15,000	(5,000)
587	O	10	Travel	10,000	15,000	(5,000)
587	O	99	Unbudgeted	-	-	-
587	R	2	Replacement Meters (Smart Meters)	100,000	600,000	(500,000)
587	R	3	Smart Meters Software Development	100,000	60,000	40,000
587	R	4	3 Phase Meter Analyzer	35,000	-	35,000
587	R	11	Contract Meter Installers	200,000	200,000	-
587	R	99	Unbudgeted	-	-	-
			Total Meter Department (Terrence Williams)	995,000	1,627,000	(632,000)
600	C	1	Ben E. Keith Distributed Generation (1.5m from Ben E. Keith Inclu	3,500,000	1,500,000	2,000,000
600	C	3	Solar	100,000	225,000	(125,000)
600	C	99	Unbudgeted	-	-	-
						-
600	O	1	MISO-related services	750,000	100,000	650,000
600	O	2	MJMUEC Dues	10,000	10,000	-
600	O	6	Investigation and Analysis of New Power Sources	100,000	50,000	50,000
600	O	7	Distributed and Emergency Generation Planning	100,000	50,000	50,000
600	O	11	Power Supply Consultant	250,000	250,000	-
600	O	12	Power Supply and Risk Consultant (TEA)	340,000	340,000	-
600	O	99	Unbudgeted	-	-	-
				-		-
600	R	99	Unbudgeted	-	-	-
			Total Cost of Power-Other (Jessica Stephens)	5,150,000	2,525,000	2,625,000

Location	Category	Item	Description	2017 Amount	2016 Amount	DIFFERENCE
			TOTALS THIS SPREADSHEET	28,428,500	23,698,300	4,730,200
			TOTALS OF ALL INDIVIDUAL LOCATION SPREADSHEETS	28,428,500	23,698,300	4,730,200
			Total Operation	11,804,400	10,617,144	1,187,256
			Total Capital	14,490,100	9,605,156	4,884,944
			Total Replacement	2,134,000	3,476,000	(1,342,000)
					PROOF>>	4,730,200
EFFECT OF MOVING LOCATIONS 560 & 600 TO COST OF POWER IN EXHIBIT "A":						
			TOTALS ALL LOCATIONS ABOVE	28,428,500	23,698,300	4,730,200
			LESS LOCATION 560	(6,217,000)	(2,502,000)	(3,715,000)
			LESS LOCATION 600	(5,150,000)	(2,525,000)	(2,625,000)
			TOTAL AFTER MOVING LOCATIONS 560 & 600 TO COST OF POWER IN EXHIBIT "A"	17,061,500	18,671,300	(1,609,800)
EFFECT ON OPERATING, CAPITAL & REPLACEMENT COSTS:						
			TOTAL OPERATING COSTS ABOVE	11,804,400	10,617,144	1,187,256
			LESS LOCATION 560	(1,466,000)	(1,391,000)	(75,000)
			LESS LOCATION 600	(1,550,000)	(800,000)	(750,000)
			TOTAL OPERATING COST LESS LOCATIONS 560 & 600	8,788,400	8,426,144	362,256
			TOTAL CAPITAL COSTS ABOVE	14,490,100	9,605,156	4,884,944
			LESS LOCATION 560	(4,560,000)	(140,000)	(4,420,000)
			LESS LOCATION 600	(3,600,000)	(1,725,000)	(1,875,000)
			TOTAL CAPITAL COST LESS LOCATIONS 560 & 600	6,330,100	7,740,156	(1,410,056)
			TOTAL REPLACEMENT COSTS ABOVE	2,134,000	3,476,000	(1,342,000)
			LESS LOCATION 560	(191,000)	(971,000)	780,000
			LESS LOCATION 600	-	-	-
			TOTAL REPLACEMENT COST LESS LOCATIONS 560 & 600	1,943,000	2,505,000	(562,000)
			SUMMARY (LESS LOCATIONS 560 & 600):			
			OPERATING	8,788,400	8,426,144	362,256
			CAPITAL	6,330,100	7,740,156	(1,410,056)
			REPLACEMENT	1,943,000	2,505,000	(562,000)
			TOTAL AFTER MOVING LOCATIONS 560 & 600 TO EXHIBIT "A"	17,061,500	18,671,300	(1,609,800)

NORTH LITTLE ROCK ELECTRIC DEPARTMENT
PROPOSED 2017 BUDGET
DEBT SERVICE COVERAGE

Revenue - Sale of Electricity	89,000,000
Other Income	6,680,000
Total for Cost of Power	-44,372,000
Personnel Costs	-7,967,139
Operating & Maintenance Expenses	-8,788,400
NET REVENUES FOR DEBT SERVICE COVERAGE	34,552,461
DEBT SERVICE	5,673,000
DEBT SERVICE COVERAGE RATIO	**6.1**

NORTH LITTLE ROCK ELECTRIC DEPARTMENT
PROPOSED 2017 BUDGET
SIGNIFICANT POINTS

1. Revenue is based on the annual average of four years (2013-2016) of billed and projected KWh's multiplied by the average sales price per KWh of $0.09687. This price excludes any ECR adjustments.

2. Cost of Power is based on projections of all Power cost for 2017 including Purchase Power, Transmission, Hydro and Other Cost of Power and is projected to decrease by $9,000,000. Please note the following:

   a. Purchase Power is expected to decrease $15,900,000 for 2017 due to our contract with NRG expiring January 1, 2017 and in place of NRG, we will purchase blocks of future power through TEA and additional power as needed.

   b. MISO/Entergy transmission cost are expected to increase $900,000.

   c. Hydro Capital and Operating cost are expected to increase $3,400,000 mainly due to Unit 1 overhaul.

   d. Other power cost are expected to increase $2,600,000 mainly due to Ben E. Keith Dist. Generation.

3. Personnel Costs are projected at $721,000 more than 2016. This includes a 2% raise for 2017 and a 3% increase in the City's pension plan contributions (from 6% to 9%).

4. Operating and Maintenance Expenses (See Exhibit "B") are projected at $1,187,000 more than 2016.

5. Capital Expenditures - Non Replacements (See Exhibit "B") are projected at $4,885,000 more than 2016.

6. Capital Expenditures - Replacements (See Exhibit "B") are projected at $1,342,000 less than 2016.

7. Created a "Depreciation/Reserve Fund" of $2,216,000 from savings on debt service.

8. Operating Transfers to City of NLR remain the same at $12,000,000.

9. Bond Debt Service for 2017 is $6,272,000 as compared to the 2016 amount of $7,952,000. The reduction is mainly due to paying off the Bond Series 2012-C.

10. Major Capital Projects are as follows:

McCain Substation Engineering Design Studies & Upgrades	$1,500,000
Distribution System Improvements	$590,000
System Inventory-Milsoft System	$435,000
Fiber City to Lynch Drive Substation	$300,000
Storage Building	$500,000
Unit 1 25 Year Turbine Overhaul (Funded - See Other Income in EXHIBIT "A")	$4,000,000
Rework Existing Storeroom/Meter Reading Area	$150,000
Transportation Equipment (Replacements)	$625,000
Substation Security	$100,000
Construction Materials	$2,817,000
Replacement Meters, Installation, etc.	$435,000
Ben E. Keith Distributed Generation $3.5M (We will receive $1.5M from Ben E. Keith which will net to $2M - See Other Income EXHIBIT "A")	$3,500,000
Solar Project	$100,000
Total Major Capital Projects	$15,052,000

11. The Electric Proposed 2017 Budget has a Budget Surplus of $8,612,000.