

**A RESOLUTION ADOPTING A BUDGET FOR THE 2014 FISCAL YEAR FOR THE NORTH LITTLE ROCK ELECTRIC DEPARTMENT; AND FOR OTHER PURPOSES.**

WHEREAS, pursuant to Act 622 of 2011, codified at Ark. Code Ann. § 14-58-202, budgets for the 2014 fiscal year for the City of North Little Rock may be adopted by resolution; and

WHEREAS, the proposed budget for the North Little Rock Electric Department for the fiscal year 2014 is attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, a budget narrative reflecting contemplated expenditures during the 2014 fiscal year for the North Little Rock Electric Department is attached hereto as Exhibit "B".

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 2014 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:

12/23/13

APPROVED:

Joe A. Smith  
Mayor Joe A. Smith

SPONSOR:

Joe A. Smith  
Mayor Joe A. Smith *Jf*

ATTEST:

Diane Whitbey  
Diane Whitbey, City Clerk

APPROVED AS TO FORM:

C. Jason Carter  
C. Jason Carter, City Attorney *Jf*

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/JC

FILED	<u>1047</u>	A.M.	_____	P.M.
By	<u>Asst City Atty Fleming</u>			
DATE	<u>12-17-13</u>			
Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas				
RECEIVED BY	<u>U Rogers</u>			

# NORTH LITTLE ROCK ELECTRIC DEPARTMENT PROPOSED 2014 BUDGET

EXHIBIT "A"

		<b><u>2014</u></b>
<b>I.</b>	<b>Estimated Beginning Cash Balance</b>	<b>10,000,000</b>
<b>II.</b>	<b>Revenue - Sale of Electricity</b>	
a.	Sales - Residential	41,966,000
b.	Sales - Commercial	23,420,000
c.	Sales - Industrial	23,727,000
d.	Sales - Street & Highway Lighting	281,000
e.	Sales - Other Public Authorities	1,949,000
f.	Sales - Lighting	<u>157,000</u>
		<b>91,500,000</b>
<b>III.</b>	<b>Other Income</b>	
a.	Interest Income	60,000
b.	Miscellaneous Service Income 10K & Green Tags 127K	137,000
c.	Other Miscellaneous Income & Late Penalties	1,000,000
d.	Other Income - pole rental, etc.	100,000
e.	Bayou Meto Pump Station Project	9,713,000
f.	Bond Funds 2012 - Hydro Seal System	<u>250,000</u>
		<b>11,260,000</b>
<b>IV.</b>	<b>Cost of Power (Includes all Hydro Costs)</b>	<b>58,938,000</b>
<b>V.</b>	<b>Personnel Costs (Net of Hydro)</b>	<b>6,836,432</b>
<b>VI.</b>	<b>Operating &amp; Maintenance Expenses (Net of Hydro)</b>	<b>8,559,900</b>
<b>VII.</b>	<b>Capital Expenditures - Non Replacements (Net of Hydro)</b>	<b>2,597,500</b>
<b>VIII.</b>	<b>Capital Expenditures - Replacements (Net of Hydro)</b>	<b>2,699,494</b>
<b>IX.</b>	<b>Operating Transfers to City of NLR</b>	<b>12,000,000</b>
<b>X.</b>	<b>Bond Debt Service (Net of Hydro)</b>	<b>4,483,701</b>
<b>XI.</b>	<b>Bayou Meto Pump Station Project</b>	<b>9,713,000</b>
<b>Total Budget Request Including Transfers &amp; Bond Debt Service</b>		<b><u>105,828,027</u></b>
 <b>Estimated Cash, Revenue &amp; Other Income (I, II, III)</b>		 <b>112,760,000</b>
<b>Less Total Budget Requests (IV - XI)</b>		<b>105,828,027</b>
 <b>ESTIMATED CASH BALANCE AFTER BUDGET REQUESTS</b>		 <b><u>6,931,973</u></b>

**NORTH LITTLE ROCK ELECTRIC DEPARTMENT  
PROPOSED 2014 BUDGET (Detailed Backup)**

<b>I. Estimated Beginning Cash Balance</b>				<b>1</b>	<b>2014 10,000,000</b>
<b>II. Revenue - Sale of Electricity</b>					
a.	Sales - Residential	41,966,000	1		
b.	Sales - Commercial	23,420,000	1		
c.	Sales - Industrial	23,727,000	1		
d.	Sales - Street & Highway Lighting	281,000	1		
e.	Sales - Other Public Authorities	1,949,000	1		
f.	Sales - Lighting	157,000	1		
	<b>Total for Revenue - Sale of Electricity</b>		<b>1</b>		<b>91,500,000</b>
<b>III. Other Income</b>					
a.	Interest Income	60,000	1		
b.	Miscellaneous Service Income 10K & Green Tags 127K	137,000	1		
c.	Other Miscellaneous Income & Late Penalties	1,000,000	1		
d.	Other Income - pole rental, etc.	100,000	1		
e.	Bayou Meto Pump Station Project	9,713,000	1		
f.	Bond Funds 2012 - Hydro Seal System	250,000	1		
	<b>Total for Other Income</b>		<b>1</b>		<b>11,260,000</b>
<b>IV. Cost of Power</b>					
a.	Purchase Power - NRG	29,994,000	1		
b.	Purchase Power - Waste Management	1,208,000	1		
c.	Purchase Power - Plum Point 1	9,893,000	1		
	<b>Total Purchase Power</b>	<b>41,095,000</b>	<b>1</b>		
d.	MISO Tariff Charges (Transmission)	6,173,000	1		
e.	Entergy Distribution Substation Charges	1,228,000	1		
	<b>Total MISO Tariff &amp; Entergy Costs</b>	<b>7,401,000</b>	<b>1</b>		
f.	Hydro Debt Service	2,222,000	1		
g.	Hydro Capital & Replacement Additions	5,111,000	1		
h.	Hydro Fixed Operating & Maintenance Costs	1,271,000	1		
i.	Hydro Personnel Costs	908,000	1		
	<b>Total Murray Hydro Plant Costs</b>	<b>9,512,000</b>	<b>1</b>		
j.	Other Cost of Power	930,000	1		
	<b>Total Other Cost of Power</b>	<b>930,000</b>	<b>1</b>		
	<b>Total Cost of Power</b>		<b>1</b>		<b>58,938,000</b>
<b>V. Personnel Costs</b>					
a.	Salaries	5,490,414	1		
b.	Longevity Pay	91,992	1		
c.	Overtime (6%)	334,944	1		
d.	Holiday Pay (.2%)	11,165	1		
e.	FICA	367,568	1		
f.	Medicare	85,963	1		
g.	Pension (see salaries worksheet)	329,336	1		
h.	Worker's Comp	198,000	1		
i.	Life Insurance (see salaries worksheet)	4,223	1		
j.	Health Insurance	719,000	1		

ELECTRIC BUDGET 2014

# **NORTH LITTLE ROCK ELECTRIC DEPARTMENT ACCOUNTING LOCATIONS**

1 of 1

- 100** - General Manager and Administrative (Jason Carter)
- 500** - Systems Engineering (Eric Heinrichs)
- 510** - Distribution Engineer (James Bray)
- 520** - Design Engineering (Scott Springer)
- 530** - Substation Maintenance (James Bray)
- 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)
- 580** - Operations / Construction (Ron Osburn)
  - 583** - Transportation (Kyle McNeil)
  - 586** - Material Management (Ron Osburn & Karen Allen)
  - 587** - Meter Department (Eric Heinrichs)
- 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 2014 BUDGET**

**EXHIBIT "B"**

Location	Category	Item	Description	2014 Amount	2013 Amount	DIFFERENCE
100	C	99	Unbudgeted	-	-	-
100	O	2	Memberships-other	1,000	1,500	(500)
100	O	6	Travel	25,000	20,000	5,000
100	O	8	Publications	2,500	5,000	(2,500)
100	O	10	Professional training	10,000	6,000	4,000
100	O	11	Annual Audit \$15,000 and Bond Arbitrage \$6,000	21,000	19,000	2,000
100	O	14	Electricity, Gas, Water	85,000	90,000	(5,000)
100	O	15	Property, Legal, Vehicle, Liability Insurance	130,000	111,667	18,333
100	O	17	NLR Economic Development Commission-promo costs	275,000	275,000	-
100	O	18	Bond Trustee Fees	10,000	10,280	(280)
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	35,000	35,000	-
100	O	24	Sherwood Franchise Tariff	470,000	470,000	-
100	O	25	AMPA Activities	50,000	50,000	-
100	O	28	FEMA/Fed Gov't Consulting Services	48,000	80,000	(32,000)
100	O	42	Rate/Financial Forecast	35,000	35,000	-
100	O	44	Public Outreach	-	105,000	(105,000)
100	O	56	Update IRP	-	3,824	(3,824)
100	O	58	Post 2013 Power Supply Plan & RFP	-	215,000	(215,000)
100	O	60	Distribution Design Modeling	-	50,000	(50,000)
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	25,000	25,000	-
100	O	67	S&P Rating Surveillance- 2012 Bonds	7,500	7,500	-
100	O	99	Unbudgeted	-	-	-
100	R	99	Unbudgeted	-	-	-
			<b>Total General Manager and Admin (Jason Carter)</b>	<b>4,210,000</b>	<b>4,594,771</b>	<b>(384,771)</b>
500	C	1	Galloway Sub-Station (W/O #09-06-033)	-	887,785	(887,785)
500	C	2	Distribution System Improvements	65,000	10,000	55,000
500	C	4	GIS and Dist. Design-Implementation, Training and Expenses	35,000	20,000	15,000
500	C	99	Unbudgeted	-	-	-
500	O	1	Training	20,000	25,000	(5,000)
500	O	2	Travel	25,000	40,000	(15,000)
500	O	3	Distribution Planning (GDS)	100,000	-	100,000
500	O	4	Engineering Consulting	50,000	25,000	25,000
500	O	5	LT Distribution Plan	-	125,000	(125,000)
500	O	6	ST Distribution Plan	-	35,000	(35,000)
500	O	99	Unbudgeted	-	-	-
500	R	99	Unbudgeted	-	-	-
			<b>Total Systems Engineering (Eric Heinrichs)</b>	<b>295,000</b>	<b>1,167,785</b>	<b>(872,785)</b>
510	C	2	Primary overhead fault indicators	-	7,000	(7,000)
510	C	99	Unbudgeted	-	-	-
510	O	1	Shared Maint. Ownership Station Equip	17,000	15,000	2,000
510	O	5	Inspection & Maintenance Services	150,000	220,000	(70,000)
510	O	11	Engineering services	100,000	75,000	25,000
510	O	12	SCADA Licensing and Tech Support	55,000	55,000	-
510	O	13	Distribution Equipment Replacement	5,000	-	5,000
510	O	99	Unbudgeted	-	-	-
510	R	1	Capacitor Controls	-	10,000	(10,000)
510	R	4	Scada Radio	-	25,000	(25,000)



**NORTH LITTLE ROCK ELECTRIC DEPARTMENT**

**EXHIBIT "B"**

**REQUESTS BY LOCATION & CATEGORY**

**BUDGET LINE ITEMS WORKSHEET  
FOR THE 2014 BUDGET**

Location	Category	Item	Description	2014 Amount	2013 Amount	DIFFERENCE
510	R	5	Equipment Replacement	20,000	-	20,000
510	R	13	Damage/Rotten Pole Replacement	60,000	60,000	-
510	R	99	Unbudgeted	-	-	-
			<b>Total Distribution Engineer (James Bray)</b>	<b>407,000</b>	<b>467,000</b>	<b>(60,000)</b>
520	C	1	L'Oreal Circuit and Switching Project	-	230,000	(230,000)
520	C	3	Boring - Underground	20,000	20,000	-
520	C	6	Guard Rails	10,000	-	10,000
520	C	8	Map Stand (SCADA Room)	-	2,000	(2,000)
520	C	99	Unbudgeted	-	-	-
520	O	1	Equipment, Uniforms and Misc. Materials	30,000	30,000	-
520	O	2	Burndy Compression Tools	30,000	-	30,000
520	O	6	PAGIS Membership costs for City/NLRED	79,000	79,000	-
520	O	7	Contract Engineering Services	30,000	50,000	(20,000)
520	O	8	Mapping Updates	30,000	30,000	-
520	O	9	AutoCAD Consultant and Training	20,000	30,000	(10,000)
520	O	10	Security Systems for Switch stations and Auto gate for Levyl	-	100,000	(100,000)
520	O	99	Unbudgeted	-	-	-
520	R	12	Capacitor Units (due to lightning)	10,000	10,000	-
520	R	13	River Road - rebuild and reconductor distribution line	-	55,000	(55,000)
520	R	99	Unbudgeted	-	-	-
			<b>Total Design Engineering (Scott Springer)</b>	<b>259,000</b>	<b>636,000</b>	<b>(377,000)</b>
530	C	99	Unbudgeted	-	-	-
530	O	1	Weed control around switch station confines	-	5,000	(5,000)
530	O	3	Substation Testing and Maintenance	55,000	10,000	45,000
530	O	4	Tools/materials	10,000	10,000	-
530	O	5	Yearly maint. of Switch station HVAC	-	4,000	(4,000)
530	O	6	Arkansas One Call- excavation permit	-	2,000	(2,000)
530	O	8	ARKUPS	60,000	40,000	20,000
530	O	10	Ground Maintenance/Erosion Protection/Weed Control	15,000	15,000	-
530	O	11	Transformer/Galloway Station Maintenance	-	60,000	(60,000)
530	O	99	Unbudgeted	-	-	-
530	R	1	RTU replacement	20,000	-	20,000
530	R	99	Unbudgeted	-	-	-
			<b>Total Substation Maintenance (James Bray)</b>	<b>160,000</b>	<b>146,000</b>	<b>14,000</b>
540	C	1	Connect Portal (Customer Connect)	-	20,000	(20,000)
540	C	2	Redundant Fiber-Move from 2013	200,000	200,000	-
540	C	3	New Technology	10,000	10,000	-
540	C	4	Security Upgrades	40,000	-	40,000
540	C	99	Unbudgeted	-	-	-
540	O	1	Music on hold	-	500	(500)
540	O	3	AutoCAD VIP Support / Maintenance	-	14,000	(14,000)
540	O	4	MP2-Tech support	-	4,000	(4,000)
540	O	6	Maintenance-phone recorders	-	3,000	(3,000)
540	O	7	Internet services / Local Dial tone / Long-distance	-	76,000	(76,000)
540	O	9	Cable, phones, security, radios, hardware & uniforms	-	30,000	(30,000)
540	O	12	Outside support & programming for computers, acctg sup, etc.	80,000	60,000	20,000
540	O	13	Meter reading maintenance	-	16,000	(16,000)
540	O	14	Training, books, videos, cd instructor led training	20,000	20,000	-



**NORTH LITTLE ROCK ELECTRIC DEPARTMENT**

**REQUESTS BY LOCATION & CATEGORY**

**EXHIBIT "B"**

**BUDGET LINE ITEMS WORKSHEET  
FOR THE 2014 BUDGET**

Location	Category	Item	Description	2014 Amount	2013 Amount	DIFFERENCE
540	O	15	Website	-	20,000	(20,000)
540	O	16	Verizon cell phone service	-	90,000	(90,000)
540	O	18	Imaging systems maintenance/upgrades Document Management	-	38,000	(38,000)
540	O	19	PBX monthly maintenance (12 months)	-	53,000	(53,000)
540	O	20	HVCA High Volume Call Answering	-	45,000	(45,000)
540	O	21	Motorola maintenance	-	30,000	(30,000)
540	O	23	PAGIS software/maintenance	-	10,000	(10,000)
540	O	26	PC maintenance, memory, hard drives & mother boards	-	5,000	(5,000)
540	O	27	Maintenance backup device	-	3,000	(3,000)
540	O	28	Maintenance Accounting Software	-	11,000	(11,000)
540	O	31	Maintenance Copier	-	23,000	(23,000)
540	O	32	Travel	10,000	-	10,000
540	O	33	Telephone	122,000	-	122,000
540	O	34	Communications	119,600	-	119,600
540	O	35	Maintenance	50,000	-	50,000
540	O	36	Uniforms	2,000	-	2,000
540	O	37	Software upgrades/Technical Support	169,900	-	169,900
540	O	99	Unbudgeted	-	-	-
540	R	1	Network Printer	-	25,000	(25,000)
540	R	3	Software upgrades	-	53,000	(53,000)
540	R	4	Replace one fifth of PC's (5 yr. replacement plan)	-	40,000	(40,000)
540	R	5	Servers	-	53,230	(53,230)
540	R	6	Network Hardware	-	45,000	(45,000)
540	R	8	Security	20,000	-	20,000
540	R	11	Tape Library and Tape Drive Replacement	-	10,051	(10,051)
540	R	14	Office Furniture	2,000	2,194	(194)
540	R	18	Radios	20,000	20,000	-
540	R	19	Interactive Voice Response IVR	-	45,000	(45,000)
540	R	21	Replace BlueTree Modems	-	10,000	(10,000)
540	R	23	Move fiber out of 800 Main	-	-	-
540	R	25	Itron Replacement	-	28,000	(28,000)
540	R	27	Information Technology Equipment	333,000	-	333,000
540	R	99	Unbudgeted	-	-	-
<b>Total Information Systems, Telecom. &amp; Radio Dispatch (Joe Martin)</b>				<b>1,198,500</b>	<b>1,112,975</b>	<b>85,525</b>
550	C	1	Data Logging & Energy Measurement Equipment	5,000	-	5,000
550	C	2	Muni Building Lighting	-	-	-
550	C	99	Unbudgeted	-	-	-
550	O	1	Customer Communications	140,000	30,000	110,000
550	O	2	Training	10,000	-	10,000
550	O	3	Travel	10,000	5,000	5,000
550	O	4	Supplies	9,500	10,000	(500)
550	O	5	Outreach & Education	45,000	40,000	5,000
550	O	6	Home Builder Program	7,500	-	7,500
550	O	7	Low Income Customer Assistance	150,000	150,000	-
550	O	8	Conservation & Demand-Side Management Programs	50,000	-	50,000
550	O	9	Sustainability	25,000	-	25,000
550	O	10	Contract Labor	-	50,000	(50,000)
550	O	11	Supplies and Miscellaneous	-	3,500	(3,500)
550	O	21	Communication Consultant	-	20,000	(20,000)
550	O	99	Unbudgeted	-	-	-
550	R	99	Unbudgeted	-	-	-

**NORTH LITTLE ROCK ELECTRIC DEPARTMENT  
REQUESTS BY LOCATION & CATEGORY**

**EXHIBIT "B"**

**BUDGET LINE ITEMS WORKSHEET  
FOR THE 2014 BUDGET**

Location	Category	Item	Description	2014 Amount	2013 Amount	DIFFERENCE
			<b>Total Energy Services &amp; Communication (Jill Ponder)</b>	<b>452,000</b>	<b>308,500</b>	<b>143,500</b>
560	C	1	Packing Box Unit 1 (retrofit for seal system)(2012 Bonds)	250,000	2,139,913	(1,889,913)
560	C	2	U2 25 Year Overhaul	4,750,000	-	4,750,000
560	C	99	Unbudgeted	-	-	-
560	O	1	Diving services	20,000	25,000	(5,000)
560	O	4	Stop log repairs	10,000	25,000	(15,000)
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	23,881	(8,881)
560	O	13	Wicket Gate Bearings	15,000	15,000	-
560	O	14	COE power bill	36,000	36,000	-
560	O	15	Plant Painting	15,000	25,000	(10,000)
560	O	16	Outage maintenance contracting	70,000	70,000	-
560	O	17	Normal generation operation expenses	80,000	71,119	8,881
560	O	18	NPDES monitoring	15,000	15,000	-
560	O	19	Normal generation plant maint. & supplies	200,000	790,352	(590,352)
560	O	23	Engineering Services	75,000	50,000	25,000
560	O	24	Oil	60,000	60,000	-
560	O	25	Hydro Insurance	290,000	284,445	5,555
560	O	26	Hydro Regulatory Fees (FERC)	220,000	250,000	(30,000)
560	O	27	FERC Hydro Headwater Benefit Fee	25,000	25,000	-
560	O	28	Vulnerability Assessment	20,000	-	20,000
560	O	31	NERC Reliability Compliance	10,000	30,000	(20,000)
560	O	32	Professional Development	15,000	15,000	-
560	O	33	Travel	10,000	10,000	-
560	O	34	Overtop Maintenance and Cleanup	10,000	30,000	(20,000)
560	O	35	Chipper Support (rental of equipment)	15,000	25,000	(10,000)
560	O	36	Right of Way Maintenance	20,000	-	20,000
560	O	99	Unbudgeted	-	-	-
560	R	1	Furniture Fixtures and Equipment	50,000	15,000	35,000
560	R	6	Stop Log Seals	3,000	5,000	(2,000)
560	R	7	Stop Log Anodes	3,000	3,000	-
560	R	9	Tool Replacement	20,000	20,000	-
560	R	10	Piping replacement	30,000	30,000	-
560	R	16	Gate Arm Replacement	5,000	8,000	(3,000)
560	R	22	CO2 Fire Suppression System Units 1 & 2	-	75,000	(75,000)
560	R	99	Unbudgeted	-	-	-
			<b>Total Hydro Operations (Jessica Stephens)</b>	<b>6,382,000</b>	<b>4,196,710</b>	<b>2,185,290</b>
570	C	99	Unbudgeted	-	-	-
570	O	1	Conferences and Training	2,000	-	2,000
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 (moved from 100)	30,000	5,000	25,000
570	O	5	NERC Compliance(moved from 100)	70,000	85,000	(15,000)
570	O	6	Retail Rate Design(ECR) (moved from 100)	30,000	30,818	(818)
570	O	99	Unbudgeted	-	-	-
570	R	99	Unbudgeted	-	-	-
			<b>Total- Assist. Gen. Mgr./Engineering Services (Mac Bryson)</b>	<b>137,300</b>	<b>120,818</b>	<b>16,482</b>
580	C	2	Dirt Compactor Attachment for mini Excavator	7,000	-	7,000



**NORTH LITTLE ROCK ELECTRIC DEPARTMENT**

**EXHIBIT "B"**

**REQUESTS BY LOCATION & CATEGORY**

**BUDGET LINE ITEMS WORKSHEET  
FOR THE 2014 BUDGET**

Location	Category	Item	Description	2014 Amount	2013 Amount	DIFFERENCE
580	C	99	Unbudgeted	-	-	-
580	O	1	Pest Control	1,500	1,200	300
580	O	2	General Maintenance - bldg trash pickup	30,000	30,000	-
580	O	3	In-house training (safety classes)	5,000	5,000	-
580	O	4	General Maintenance - grounds repairs	15,000	13,500	1,500
580	O	5	General Maintenance - equipment repairs building	30,000	16,000	14,000
580	O	6	Flame retardant shirts and work boots PPE	60,000	75,000	(15,000)
580	O	7	General Maintenance - bldg janitorial	35,000	40,000	(5,000)
580	O	8	General Maintenance - bldg repairs	20,000	35,000	(15,000)
580	O	9	Damage to private property	-	15,000	(15,000)
580	O	10	Dump fees-American Composting	50,000	50,000	-
580	O	11	Outside contractors	100,000	100,000	-
580	O	12	Tree trimming contractor-Apple	1,000,000	950,000	50,000
580	O	13	Right of Way Improvements	50,000	100,000	(50,000)
580	O	14	Bldg Janitorial Supplies	6,000	8,000	(2,000)
580	O	15	Training	20,000	20,000	-
580	O	16	Travel	18,000	18,000	-
580	O	17	First Aid Kits	10,000	10,000	-
580	O	18	Construction Equipment Rental	2,000	2,000	-
580	O	19	Standby Generator Maintenance	3,000	-	3,000
580	O	20	Apprentice Training- Linemen(moved from 584)	18,000	18,000	-
580	O	99	Unbudgeted	-	-	-
580	R	1	Headquarters-Replacement of Furniture, Fixtures and Equipment	-	15,000	(15,000)
580	R	27	Replace one high mast light pole on I 40	-	60,000	(60,000)
580	R	29	Digger Derrick #8 2002 44,867 miles	200,000	205,000	(5,000)
580	R	31	3/4 ton pickup # 55,803 miles	130,000	122,482	7,518
580	R	32	1/2 ton 4wd pickup #64 137,000 miles	-	19,762	(19,762)
580	R	33	Ford SUV #6 81,000 miles	-	24,551	(24,551)
580	R	34	Ford SUV #86 68,250 miles	-	24,244	(24,244)
580	R	35	Chev SUV #5 94,000 miles	-	24,551	(24,551)
580	R	36	1/2 ton Chev 4wd pickup #53 124,00 miles	-	19,762	(19,762)
580	R	38	SUV #91, 130,000 miles	-	26,000	(26,000)
580	R	39	SUV #19 66,000 miles	-	25,000	(25,000)
580	R	40	Vehicles ordered in 2012	-	220,712	(220,712)
580	R	99	Unbudgeted	-	-	-
<b>Total Operations/Construction (Ron Osburn)</b>				<b>1,810,500</b>	<b>2,293,764</b>	<b>(483,264)</b>
583	C	99	Unbudgeted	-	-	-
583	O	2	2 Trk Emission Inspection/Dielectric Testing	8,000	10,375	(2,375)
583	O	4	Pressure washer soap	1,500	3,500	(2,000)
583	O	5	Shop manuals	100	500	(400)
583	O	6	Fleet management software	-	500	(500)
583	O	7	Fuel & Oil	300,000	225,000	75,000
583	O	8	Parts & Repairs	140,000	180,000	(40,000)
583	O	99	Unbudgeted	-	-	-
583	R	1	Tools and shop equipment	4,000	2,000	2,000
583	R	99	Unbudgeted	-	-	-
<b>Total Transportation (Kyle McNeil)</b>				<b>453,600</b>	<b>421,875</b>	<b>31,725</b>
586	C	1	UG cable	300,000	300,000	-
586	C	2	Wire	275,000	300,000	(25,000)
586	C	3	Poles	150,000	150,000	-

**NORTH LITTLE ROCK ELECTRIC DEPARTMENT  
REQUESTS BY LOCATION & CATEGORY  
BUDGET LINE ITEMS WORKSHEET  
FOR THE 2014 BUDGET**

**EXHIBIT "B"**

Location	Category	Item	Description	2014 Amount	2013 Amount	DIFFERENCE
586	C	4	Transformers	350,000	350,000	-
586	C	5	Construction Materials	425,000	415,000	10,000
586	C	7	Streetlight Materials	250,000	250,000	-
586	C	8	Poles, aluminum & accessories	150,000	150,000	-
586	C	9	Structures & Improvements	10,000	10,000	-
586	C	10	Safety Equipment & Supplies	20,000	20,000	-
586	C	99	Unbudgeted	-	-	-
586	O	1	Tools & materials	50,000	35,000	15,000
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)	8,000	5,000	3,000
586	O	99	Unbudgeted	-	-	-
586	R	1	Tools & Materials(includes 584 tool requests)	50,000	50,000	-
586	R	2	Street Lights Replacements-New Lighting Technology (from 585)	15,000	15,000	-
586	R	99	Unbudgeted	-	-	-
<b>Total Material Management (Ron Osburn &amp; Karen Allen)</b>				<b>2,093,000</b>	<b>2,090,000</b>	<b>3,000</b>
587	C	1	Smart Meter System Upgrades and Equipment	30,000	200,000	(170,000)
587	C	2	Current & potential transformers (primary & secondary)	14,000	14,000	-
587	C	3	Demand Meters	62,000	62,000	-
587	C	4	Mass Meter Install Contractor and Expenses	94,500	240,000	(145,500)
587	C	5	Consulting(consulting, travel, expenses)	75,000	80,000	(5,000)
587	C	99	Unbudgeted	-	-	-
587	O	1	Smart Meter Licensing and Tech Support	120,000	500	119,500
587	O	2	Materials for Meter Maintenance	32,500	6,000	26,500
587	O	3	Meter seals, inserts, wire for inserts, rings, blanks, etc	-	20,000	(20,000)
587	O	4	Misc. materials	-	3,000	(3,000)
587	O	5	13-terminal meter cans, A&K-base adapters, CT & PT brackets	85,000	30,000	55,000
587	O	7	Maintenance and calibration of testing equipment	3,500	4,500	(1,000)
587	O	8	Meter Can Repairs	19,000	-	19,000
587	O	9	Training	15,000	-	15,000
587	O	10	Travel	15,000	-	15,000
587	O	99	Unbudgeted	-	-	-
587	R	2	Replacement Meters (Smart Meters)	1,815,494	2,836,132	(1,020,638)
587	R	99	Unbudgeted	-	-	-
<b>Total Meter Department (Eric Heinrichs)</b>				<b>2,380,994</b>	<b>3,496,132</b>	<b>(1,115,138)</b>
600	C	99		-	-	-
600	O	1	MISO-related services	200,000	100,000	100,000
600	O	2	MJMUEC Dues	10,000	10,000	-
600	O	3	Energy Contract Compliance	40,000	20,000	20,000
600	O	4	ARR, FTR, and Congestion Analysis	100,000	50,000	50,000
600	O	5	Plum Point Oversight	30,000	30,000	-
600	O	6	Investigation and Analysis of New Power Sources	100,000	150,000	(50,000)
600	O	7	Distributed and Emergency Generation Planning	100,000	-	100,000
600	O	99	Unbudgeted	-	-	-
600	R	1	Phone system switch with features(Hydro)	50,000	-	50,000
600	R	2	Communications Hydro	300,000	-	300,000
600	R	99	Unbudgeted	-	-	-
<b>Total Cost of Power-Other (Jessica Stephens)</b>				<b>930,000</b>	<b>360,000</b>	<b>570,000</b>

**NORTH LITTLE ROCK ELECTRIC DEPARTMENT  
REQUESTS BY LOCATION & CATEGORY  
BUDGET LINE ITEMS WORKSHEET  
FOR THE 2014 BUDGET**

**EXHIBIT "B"**

Location	Category	Item Description	2014 Amount	2013 Amount	DIFFERENCE
		<b>TOTALS THIS SPREADSHEET</b>	21,168,894	21,412,330	(243,436)
		<b>TOTALS OF ALL INDIVIDUAL LOCATION SPREADSHEETS TABS</b>	21,168,894	21,412,330	(243,436)
		<b>Total Operating</b>	10,410,900	10,986,961	(576,061)
		<b>Total Capital</b>	7,597,500	6,087,698	1,509,802
		<b>Total Replacement</b>	3,160,494	4,337,671	(1,177,177)
				PROOF>>	(243,436)
		<b><u>EFFECT OF MOVING LOCATIONS 560 &amp; 600 TO COST OF POWER IN EXHIBIT "A":</u></b>			
		<b>TOTALS ALL LOCATIONS ABOVE</b>	21,168,894	21,412,330	(243,436)
		<b>LESS LOCATION 560</b>	(6,382,000)	(4,196,710)	(2,185,290)
		<b>LESS LOCATION 600</b>	(930,000)	(360,000)	(570,000)
		<b>TOTAL AFTER MOVING LOCATIONS 560 &amp; 600 TO COST OF POWER IN EXHIBIT "A"</b>	13,856,894	16,855,620	(2,998,726)
		<b><u>EFFECT ON OPERATING, CAPITAL &amp; REPLACEMENT COSTS:</u></b>			
		<b>TOTAL OPERATING COSTS ABOVE</b>	10,410,900	10,986,961	(576,061)
		<b>LESS LOCATION 560</b>	(1,271,000)	(1,900,797)	629,797
		<b>LESS LOCATION 600</b>	(580,000)	(360,000)	(220,000)
		<b>TOTAL OPERATING COST LESS LOCATIONS 560 &amp; 600</b>	8,559,900	8,726,164	(166,264)
		<b>TOTAL CAPITAL COSTS ABOVE</b>	7,597,500	6,087,698	1,509,802
		<b>LESS LOCATION 560</b>	(5,000,000)	(2,139,913)	(2,860,087)
		<b>LESS LOCATION 600</b>	-	-	-
		<b>TOTAL CAPITAL COST LESS LOCATIONS 560 &amp; 600</b>	2,597,500	3,947,785	(1,350,285)
		<b>TOTAL REPLACEMENT COSTS ABOVE</b>	3,160,494	4,337,671	(1,177,177)
		<b>LESS LOCATION 560</b>	(111,000)	(156,000)	45,000
		<b>LESS LOCATION 600</b>	(350,000)	-	(350,000)
		<b>TOTAL REPLACEMENT COST LESS LOCATIONS 560 &amp; 600</b>	2,699,494	4,181,671	(1,482,177)
		<b><u>SUMMARY (LESS LOCATIONS 560 &amp; 600):</u></b>			
		<b>OPERATING</b>	8,559,900	8,726,164	(166,264)
		<b>CAPITAL</b>	2,597,500	3,947,785	(1,350,285)
		<b>REPLACEMENT</b>	2,699,494	4,181,671	(1,482,177)
		<b>TOTAL AFTER MOVING LOCATIONS 560 &amp; 600 TO EXHIBIT "A"</b>	13,856,894	16,855,620	(2,998,726)

**NORTH LITTLE ROCK ELECTRIC DEPARTMENT  
PROPOSED 2014 BUDGET  
DEBT SERVICE COVERAGE**

Revenue - Sale of Electricity	91,500,000
Other Income	1,297,000
Total for Cost of Power	-58,938,000
Personnel Costs	-6,836,432
Operating & Maintenance Expenses	<u>-8,559,900</u>
NET REVENUES FOR DEBT SERVICE COVERAGE	18,462,668
DEBT SERVICE	<u>6,705,701</u>
DEBT SERVICE COVERAGE RATIO	<u><u>2.8</u></u>



**NORTH LITTLE ROCK ELECTRIC DEPARTMENT  
PROPOSED 2014 BUDGET  
SIGNIFICANT POINTS**

1. Revenue for 2014 is based on the same projections used for 2013.
2. Other Income includes \$9,713,000 in payments by the Federal Government for the Bayou Meto Pump Station Project and \$250,000 of Bond Funds for the Hydro Seal System.
3. Cost of Power is based on NLR Electric and GDS projections for 2014. We have combined all Costs of Power in this category including MISO Tariff and Transmission charges, Hydro debt service, Hydro capital additions, Hydro operating costs and Hydro personnel costs.
4. Personnel Costs do not include a cost of living raise for 2014.
5. Operating & Maintenance Expenses (See "Requests Summary" tab) are projected at \$166,264 less than 2013.
6. Capital Expenditures - Non Replacements (See "Requests Summary" tab) are projected at \$1,350,285 less than 2013.
7. Capital Expenditures - Replacements (See "Requests Summary" tab) are projected at \$1,482,177 less than 2013.
8. Operating Transfers to City of NLR remain the same at \$12,000,000.
9. Bond Debt Service for 2014 is \$6,705,701 as compared to the 2013 amount of \$5,257,000.
10. As per our Franchise Agreement with the City of Sherwood, Franchise Fees & Tariff for 2014 are projected at \$600,000 and \$470,000 respectively, the same as 2013.
11. Major Capital Projects excluding the Bayou Meto Pump Station Project are a follows:
 

Overhaul Hydro Turbine	\$4,750,000	
Smart Meters	\$1,815,494	
Total		\$6,565,494
12. The Electric Proposed 2014 Budget is OVER BUDGETED by
 

		\$3,068,027
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