

RESOLUTION NO. _____

A RESOLUTION ADOPTING A BUDGET FOR THE 2018 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 2018 is attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, a budget narrative reflecting contemplated expenditures during the 2018 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 2018 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:

ATTEST:



Mayor Joe A. Smith *by AT*

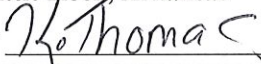
Diane Whitbey, City Clerk

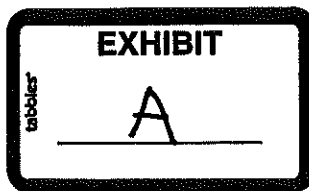
APPROVED AS TO FORM:



Amy Beckman Fields, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/b

FILED	11:21	A.M.	_____	P.M.
By	City Atty Amy fields			
DATE	12-5-17			
Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas				
RECEIVED BY				



**NORTH LITTLE ROCK ELECTRIC DEPARTMENT
PROPOSED 2018 BUDGET**

EXHIBIT "A"

	<u>2018</u>	
I. Estimated Beginning Cash Balance		16,000,000
II. Revenue - Sale of Electricity		
a. Sales - Residential	38,194,000	
b. Sales - Commercial	26,700,000	
c. Sales - Industrial	21,627,000	
d. Sales - Street & Highway Lighting	287,000	
e. Sales - Other Public Authorities	2,047,000	
f. Sales - Lighting	165,000	
	<hr/>	89,000,000
III. Other Income		
a. Interest Income	106,000	
b. Miscellaneous Service Income 20K & Green Tags 60K	80,000	
c. Other Miscellaneous Income & Late Penalties	900,000	
d. Other Income - pole rental, etc.	100,000	
e. Billing Fees - CAW & CenterPoint Energy	53,000	
f. Returned Check Fees	35,000	
g. Hydro Debt Service Reserve for Unit #1 Overhaul	2,000,000	
h. Ben E. Keith Grant for Distributed Generation Plant	1,500,000	
i. Projects in the 2017 Budget to be completed in 2018	1,807,000	
	<hr/>	6,581,000
IV. Cost of Power (Includes all Hydro Costs)		51,059,000
V. Personnel Costs (Net of Hydro)		9,862,737
VI. Operating & Maintenance Expenses (Net of Hydro)		8,450,750
VII. Capital Expenditures - Non Replacements (Net of Hydro)		5,260,500
VIII. Capital Expenditures - Replacements (Net of Hydro)		1,746,000
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)		3,959,000
Total Budget Request Including Transfers & Bond Debt Service		<hr/> 94,553,987 <hr/>
Estimated Cash, Revenue & Other Income (I, II, III)		111,581,000
Less Total Budget Requests (IV - XI)		94,553,987
ESTIMATED ENDING CASH BALANCE AFTER BUDGET REQUESTS		<hr/> 17,027,013 <hr/>

**NORTH LITTLE ROCK ELECTRIC DEPARTMENT
PROPOSED 2018 BUDGET (Detailed Backup)**

			2018
I.	Estimated Beginning Cash Balance		16,000,000
II.	Revenue - Sale of Electricity		
a.	Sales - Residential	38,194,000	1
b.	Sales - Commercial	26,700,000	1
c.	Sales - Industrial	21,627,000	1
d.	Sales - Street & Highway Lighting	267,000	1
e.	Sales - Other Public Authorities	2,047,000	1
f.	Sales - Lighting	165,000	1
	Total for Revenue - Sale of Electricity		89,000,000
III.	Other Income		
a.	Interest Income	108,000	1
b.	Miscellaneous Service Income 20K & Green Tags 60K	80,000	1
c.	Other Miscellaneous Income & Late Penalties	900,000	1
d.	Other Income - pole rental, etc.	100,000	1
e.	Billing Fees - CAW & CenterPoint Energy	53,000	1
f.	Returned Check Fees	35,000	1
g.	Hydro Debt Service Reserve for Unit #1 Overhaul	2,000,000	1
h.	Ben E. Keith Grant for Distributed Generation Plant	1,500,000	1
i.	Projects in the 2017 Budget to be completed in 2018 (Rollover)	1,807,000	1
	Total for Other Income		6,581,000
IV.	Cost of Power		
a.	Purchase Power - TEA	5,432,000	1
b.	Purchase Power - Plum Point 1 (Net of Sales)	11,000,000	1
c.	Purchase Power - Waste Management	917,000	1
d.	Purchase Power - MISO	15,000,000	1
e.	Purchase Power - L'OREAL	107,000	1
	Total Purchase Power	32,456,000	1
f.	Transmission - MISO	9,326,000	1
	Total Transmission - MISO Costs	9,326,000	1
g.	Hydro Debt Service	2,228,000	1
h.	Hydro Capital & Replacement Additions	2,651,000	1
i.	Hydro Fixed Operating & Maintenance Costs	1,491,000	1
j.	Hydro Personnel Costs	1,067,000	1
	Total Murray Hydro Plant Costs	7,437,000	1
k.	Other Cost of Power	1,840,000	1
	Total Other Cost of Power	1,840,000	1
	Total Cost of Power		61,059,000
V.	Personnel Costs		
a.	Salaries (see salaries worksheet)	7,628,381	1
b.	Longevity Pay (see salaries worksheet)	109,062	1
c.	Overtime (6%)	464,247	1
d.	Overtime in excess of Holiday Pay (.2%)	15,475	1
e.	FICA	509,464	1
f.	Medicare	119,149	1
g.	Pension (see salaries worksheet)	746,420	1
h.	Worker's Comp	210,000	1
i.	Life Insurance (Included with Health Insurance)	-	1
j.	Health Insurance (see salaries worksheet)	1,053,482	1
k.	Sick Leave Bonus (40% of personnel)	10,400	1
l.	Long Term Disability Insurance	33,658	1
m.	Employee pay differential - Hydro	30,000	1
	Total Personnel Costs	10,929,737	1
	Hydro Personnel Costs Moved to Cost of Power Above	(1,067,000)	1
	Total Personnel Costs (Net of Hydro)		9,862,737

NORTH LITTLE ROCK ELECTRIC DEPARTMENT ACCOUNTING LOCATIONS

- 100** - General Manager and Administrative (James Bray)
- 200** - Billing & Collection (Jill Ponder)
- 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
- 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 McNeill)
 - 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 2018 BUDGET**

EXHIBIT "B"

Location	Category	Item	Description	2018 Amount	2017 Amount	DIFFERENCE
100	C	99	Unbudgeted	-	-	-
100	O	2	Memberships-other	-	1,000	(1,000)
100	O	6	Travel	15,000	15,000	-
100	O	8	Publications	200	500	(300)
100	O	10	Professional training	5,000	10,000	(5,000)
100	O	11	Annual Audit \$21,260 and 2011 Bond Arbitrage \$3,500	24,750	21,000	3,750
100	O	14	Electricity, Gas, Water	88,000	87,000	(1,000)
100	O	15	Property, Legal, Vehicle, Liability Insurance	130,000	110,000	20,000
100	O	17	NLR Economic Development Corp- Promo Costs	200,000	470,000	(270,000)
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 (I.T.Expenses for 2018)	1,000,000	2,300,000	(1,300,000)
100	O	23	Office Supplies & Misc. Items	30,000	30,000	-
100	O	24	Sherwood Franchise Tariff	470,000	470,000	-
100	O	25	AMPA Activities & Consultants	140,000	40,000	100,000
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/Adjustments	25,000	15,000	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)				2,823,450	4,267,000	(1,443,550)
200	C	1	Equipment-UAD	11,000	1,700	9,300
200	C	99	Unbudgeted	-	-	-
200	O	1	Supplies-Miscellaneous	5,000	29,300	(24,300)
200	O	2	Supplies-Office	30,000	21,600	8,400
200	O	3	Copy Machine Expense	5,300	4,300	1,000
200	O	4	Communication	40,000	28,400	11,600
200	O	5	Utilities	114,000	114,400	(400)
200	O	6	Maintenance of Equipment	65,000	13,700	51,300
200	O	7	Maintenance of Building & Grounds	85,000	71,800	13,200
200	O	8	Janitorial Supplies	10,000	38,000	(28,000)
200	O	9	Software Purchases	50,000	17,600	32,400
200	O	10	Software Maintenance	325,000	124,300	200,700
200	O	11	Armored Transportation	8,700	7,300	1,400
200	O	12	Postage	180,000	163,800	16,200
200	O	13	Education & Training	10,000	4,700	5,300
200	O	14	Travel Expenses	8,000	6,600	1,500
200	O	15	Professional Services	8,000	6,000	2,000
200	O	20	Miscellaneous Expense	10,000	6,900	3,100
200	O	99	Unbudgeted	-	-	-
200	R	1	Equipment Replacement	31,000	-	31,000
200	R	99	Unbudgeted	-	-	-
Total Billing & Collection (Jill Ponder)				996,000	660,300	335,700

Location	Category	Item	Description	2018 Amount	2017 Amount	DIFFERENCE
500	C	1	McCain Substation Engineering Design Studies & Upgrades	800,000	1,500,000	(700,000)
500	C	2	Distribution System Improvements	400,000	590,000	(190,000)
500	C	3	System Inventory-Milsoft System	150,000	435,000	(285,000)
500	C	5	Contractors for Rotten Pole Replacement-Non Emergency	25,000	25,000	-
500	C	99	Unbudgeted	-	-	-
500	O	1	Training	20,000	15,000	5,000
500	O	2	Travel	20,000	15,000	5,000
500	O	4	Engineering Consulting	200,000	200,000	-
500	O	99	Unbudgeted	-	-	-
500	R	99	Unbudgeted	-	-	-
Total Systems Engineering (Eric Heinrichs)				1,615,000	2,780,000	(1,165,000)
510	C	99	Unbudgeted	-	-	-
510	O	1	Shared Maint. Ownership Station Equip	19,000	19,000	-
510	O	5	Inspection & Maintenance Services for Rotten Poles, etc	155,000	155,000	-
510	O	12	Tree Trimming contractor-Apple(moved from #580)	1,200,000	1,200,000	-
510	O	13	Distribution Equipment Replacement	25,000	25,000	-
510	O	99	Unbudgeted	-	-	-
510	R	1	Distribution Switch Replacement	40,000	-	40,000
510	R	5	Equipment Replacement	50,000	127,500	(77,500)
510	R	13	Contractors for Rotten Pole/Tree Trimm. Emergency	75,000	75,000	-
510	R	99	Unbudgeted	-	-	-
Total Distribution Engineer (Andy Johnson)				1,564,000	1,601,500	(37,500)
520	C	3	Boring - Underground	25,000	25,000	-
520	C	6	Guard Rails	5,000	5,000	-
520	C	9	Furniture and Office Equipment	1,500	1,500	-
520	C	99	Unbudgeted	-	-	-
520	O	1	Equipment, Uniforms and Misc. Materials	30,000	30,000	-
520	O	6	Membership costs for PAGIS, NJUNS, ESRI	83,000	79,000	4,000
520	O	9	AutoCad/Milsoft/Partner 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)				169,500	165,500	4,000
530	C	99	Unbudgeted	-	-	-
530	O	1	Storage/Work Area	20,000	104,000	(84,000)
530	O	3	Substation Testing and Maintenance	35,000	35,000	-
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	15,000	17,000	(2,000)
530	O	99	Unbudgeted	-	-	-
530	R	1	RTU/Relay Replacement	50,000	100,000	(50,000)
530	R	99	Unbudgeted	-	-	-

Location	Category	Item	Description	2018 Amount	2017 Amount	DIFFERENCE
			Total Substation Maintenance (Andy Johnson)	195,000	331,000	(136,000)
540	C	3	New Technology	20,000	20,000	-
540	C	4	Security Upgrades	-	52,000	(52,000)
540	C	8	Sharepoint/Lync Collaboration Software	-	68,000	(68,000)
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)	42,000	34,000	8,000
540	C	12	Fiber to Parkhill Fire/Neighborhood Services(City Requested)	-	14,600	(14,600)
540	C	14	Fiber For McCain Police Substation to McCain Sub. #5341	40,000	-	40,000
540	C	15	Fiber for City Hall to West Gate #4919	40,000	-	40,000
540	C	16	Fiber to Galloway Substation	275,000	-	275,000
540	C	99	Unbudgeted	-	-	-
540	O	12	Outside support & programming for computers, acctg sup, etc.	85,000	55,000	30,000
540	O	14	Training, books, videos, cd instructor led training	30,000	15,000	15,000
540	O	32	Travel	20,000	10,000	10,000
540	O	33	Telephone	185,000	140,000	25,000
540	O	34	Internet & Misc. Communications	60,000	133,600	(73,600)
540	O	35	Maintenance Hardware	175,000	200,000	(25,000)
540	O	37	Software upgrades/Maintenance/Technical Support	250,000	265,000	(15,000)
540	O	99	Unbudgeted	-	-	-
540	R	8	Security	-	10,000	(10,000)
540	R	14	Office Furniture	-	5,000	(5,000)
540	R	18	Radios	10,000	20,000	(10,000)
540	R	27	Information Technology Equipment	300,000	300,000	-
540	R	99	Unbudgeted	-	-	-
			Total Information Systems, Telecom. & Radio Dispatch	1,842,000	1,670,200	171,800
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	100,000	-
550	O	99	Unbudgeted	-	-	-
550	R	99	Unbudgeted	-	-	-
			Total Energy Services & Communication (Jill Ponder)	430,500	430,500	-
560	C	1	Storage Building	500,000	500,000	-
560	C	2	Unit 1 25 Year Turbine Overhaul(Funded Reserve In 2016)	2,000,000	4,000,000	(2,000,000)
560	C	4	Intake Crane Repairs	-	60,000	(60,000)
560	C	99	Unbudgeted	-	-	-
560	O	8	Waste Oil Disposal	10,000	10,000	-

Location	Category	Item	Description	2018	2017	DIFFERENCE
				Amount	Amount	
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	105,000	-
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	120,000	100,000	20,000
560	O	25	Hydro Insurance	290,000	290,000	-
560	O	26	Hydro Regulatory Fees (FERC)	225,000	220,000	5,000
560	O	27	FERC Hydro Headwater Benefit Fee	20,000	20,000	-
560	O	31	Reliability & Compliance (combined with Mac's 570-05/07)	116,000	116,000	-
560	O	32	Professional Development	10,000	10,000	-
560	O	33	Travel	10,000	10,000	-
560	O	34	Overtop Maintenance and Cleanup	100,000	100,000	-
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	30,000	-
560	R	2	Packing Gland	-	85,000	(85,000)
560	R	3	Paging System	-	15,000	(15,000)
560	R	4	Temperature Monitor	65,000	-	65,000
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	16	Gate Arm Replacement	-	5,000	(5,000)
560	R	99	Unbudgeted	-	-	-
Total Hydro Operations (Jessica Stephens)				4,142,000	6,217,000	(2,075,000)
NOTE: LOCATION 560 MOVED TO COST OF POWER - EXHIBIT "A"						
570	C	99	Unbudgeted	-	-	-
570	O	1	Conferences and Training	5,000	3,000	2,000
570	O	2	Travel	7,000	5,000	2,000
570	O	3	Literature-Books, Home Energy Magazine Subscription	300	300	-
570	O	4	Cost of Service Studies/Retail Rate Design	21,000	45,000	(24,000)
570	O	5	Five Year Financial Plan	20,000	-	20,000
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	73,300	-
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	5,000	-
575	O	4	Travel	5,000	5,000	-
575	O	5	Misc. Equipment and Uniforms	7,000	7,000	-
575	O	99	Unbudgeted	-	-	-
575	R	99	Unbudgeted	-	-	-

Location	Category	Item	Description	2018	2017	DIFFERENCE
				Amount	Amount	
Total Assistant GM (Scott Springer)				27,000	27,000	-
580	C	8	New Materials Storage Building	-	442,000	(442,000)
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	40,000	-
580	O	4	General Maintenance - grounds repairs	40,000	60,000	(20,000)
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	15,000	20,000	(5,000)
580	O	11	Outside contractors	50,000	50,000	-
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	5,000	-
580	O	16	Travel	5,000	5,000	-
580	O	18	Construction Equipment Rental	5,000	5,000	-
580	O	19	Standby Generator Maintenance	10,000	5,000	5,000
580	O	99	Unbudgeted	-	-	-
580	R	50	Rework Existing Storeroom/Meter Reading Area	200,000	150,000	50,000
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 Derrick 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	62	55' Double Bucket	200,000	-	200,000
580	R	63	Substation Truck #70	60,000	-	60,000
580	R	64	Replace #30 2005 Dodge Durango 104,603 miles	60,000	-	60,000
580	R	65	Replace #32 2006 GMC Pickup	60,000	-	60,000
580	R	66	Replace #36 2000 Ford Pickup 129,231 miles	60,000	-	60,000
580	R	67	Replacement Vehicle	30,000	-	30,000
580	R	99	Unbudgeted	-	-	-
Total Operations/Construction (Ron Osburn)				1,178,000	1,845,000	(667,000)
583	C	99	Unbudgeted	-	-	-
583	O	2	2 Trk Emission Inspection/Dielectric Testing	12,000	10,000	2,000
583	O	7	Fuel & Oil	100,000	150,000	(50,000)
583	O	8	Parts & Repairs	140,000	140,000	-
583	O	99	Unbudgeted	-	-	-
583	R	1	Tools and shop equipment	5,000	8,000	(3,000)
583	R	99	Unbudgeted	-	-	-

Location	Category	Item	Description	2018 Amount	2017 Amount	DIFFERENCE
			Total Transportation (Kyle McNeil)	257,000	308,000	(51,000)
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)	20,000	15,000	5,000
584	O	6	In House Training (safety classes)(from #580)	5,000	5,000	-
584	O	99	Unbudgeted	-	-	-
584	R	99	Unbudgeted	-	-	-
			Total Safety & Security (Roy McPhail)	182,000	247,000	(85,000)
586	C	1	UG cable	325,000	275,000	50,000
586	C	2	Wire	200,000	200,000	-
586	C	3	Poles	150,000	150,000	-
586	C	4	Transformers	500,000	500,000	-
586	C	5	Construction Materials	450,000	450,000	-
586	C	7	Streetlight Materials	1,000,000	1,000,000	-
586	C	8	Poles, aluminum & accessories	125,000	125,000	-
586	C	9	Structures & Improvements	12,000	12,000	-
586	C	10	Safety Equipment & Supplies	25,000	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	65,000	-
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)	2,977,000	2,927,000	50,000
587	C	1	RNI Network Upgrades	75,000	20,000	55,000
587	C	2	Current Transformers & Potential Transformers	25,000	14,000	11,000
587	C	3	Demand Meters	-	15,000	(15,000)
587	C	6	Residential and Single-Phase Demand Meters	-	25,000	(25,000)
587	C	99	Unbudgeted	-	-	-
587	O	1	Smart Meter Licensing and Tech Support	250,000	200,000	50,000
587	O	2	Materials for Meter Maintenance	-	22,500	(22,500)
587	O	3	Consulting (consulting, travel, expenses)	7,500	30,000	(22,500)
587	O	4	Util-Assiat Consulting	250,000	80,000	170,000
587	O	5	13-terminal meter cans, A&K-base adapters, CT & PT brackets	30,000	60,000	(30,000)
587	O	7	Maintenance and calibration of testing equipment	-	3,500	(3,500)

Location	Category	Item	Description	2018 Amount	2017 Amount	DIFFERENCE
587	O	8	Meter Can Repairs	10,000	70,000	(60,000)
587	O	9	Training	30,000	10,000	20,000
587	O	10	Travel	20,000	10,000	10,000
587	O	11	Prepaid Metering Services	100,000	-	100,000
587	O	99	Unbudgeted	-	-	-
587	R	2	Meter Inventory	300,000	100,000	200,000
587	R	3	Smart Meters Software Development	-	100,000	(100,000)
587	R	4	3 Phase Meter Analyzer	-	35,000	(35,000)
587	R	5	Meter Shop Diagnostic Equipment	50,000	-	50,000
587	R	11	Contract Meter Installers	-	200,000	(200,000)
587	R	99	Unbudgeted	-	-	-
Total Meter Department (Terrence Williams)				1,147,500	995,000	152,500
600	C	1	Ben E. Keith Distributed Generation(1.5m from BenE.Keith Includ	-	4,000,000	(4,000,000)
600	C	3	Solar	250,000	325,000	(75,000)
600	C	99	Unbudgeted	-	-	-
600	O	1	MISO-related services	750,000	750,000	-
600	O	2	MJMUEC Dues	10,000	10,000	-
600	O	3	Distributed Generation Operation Expenses	40,000	-	40,000
600	O	6	Investigation and Analysis of New Power Sources	100,000	100,000	-
600	O	7	Distributed and Emergency Generation Planning	100,000	100,000	-
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)				1,840,000	5,875,000	(4,035,000)
TOTALS THIS SPREADSHEET				21,439,250	30,420,300	(8,981,050)
TOTALS OF ALL INDIVIDUAL LOCATION SPREADSHEETS TA				21,439,250	30,420,300	(8,981,050)
Total Operation				11,531,750	12,572,000	(1,040,250)
Total Capital				8,010,500	15,616,800	(7,606,300)
Total Replacement				1,897,000	2,231,500	(334,500)
					PROOF>>	(8,981,050)
EFFECT OF MOVING LOCATIONS 580 & 600 TO COST OF POWER IN EXHIBIT "A":						
TOTALS ALL LOCATIONS ABOVE				21,439,250	30,420,300	(8,981,050)
LESS LOCATION 580				(4,142,000)	(6,217,000)	2,075,000
LESS LOCATION 600				(1,840,000)	(5,875,000)	4,035,000
TOTAL AFTER MOVING LOCATIONS 580 & 600 TO COST OF POWER IN EXHIBIT "A"				15,457,250	18,328,300	(2,871,050)

Location	Category	Item	Description	2018 Amount	2017 Amount	DIFFERENCE
EFFECT ON OPERATING, CAPITAL & REPLACEMENT COSTS:						
TOTAL OPERATING COSTS ABOVE				11,531,750	12,572,000	(1,040,250)
LESS LOCATION 560				(1,491,000)	(1,466,000)	(25,000)
LESS LOCATION 600				(1,590,000)	(1,550,000)	(40,000)
TOTAL OPERATING COST LESS LOCATIONS 560 & 600				8,450,750	9,556,000	(1,105,250)
TOTAL CAPITAL COSTS ABOVE				8,010,500	15,616,800	(7,606,300)
LESS LOCATION 560				(2,500,000)	(4,580,000)	2,080,000
LESS LOCATION 600				(250,000)	(4,325,000)	4,075,000
TOTAL CAPITAL COST LESS LOCATIONS 560 & 600				5,260,500	6,731,800	(1,471,300)
TOTAL REPLACEMENT COSTS ABOVE				1,897,000	2,231,500	(334,500)
LESS LOCATION 560				(151,000)	(191,000)	40,000
LESS LOCATION 600				-	-	-
TOTAL REPLACEMENT COST LESS LOCATIONS 560 & 600				1,746,000	2,040,500	(294,500)
SUMMARY (LESS LOCATIONS 560 & 600):						
OPERATING				8,450,750	9,556,000	(1,105,250)
CAPITAL				5,260,500	6,731,800	(1,471,300)
REPLACEMENT				1,746,000	2,040,500	(294,500)
TOTAL AFTER MOVING LOCATIONS 560 & 600 TO EXHIBIT "A"				15,457,250	18,328,300	(2,871,050)

**NORTH LITTLE ROCK ELECTRIC DEPARTMENT
PROPOSED 2018 BUDGET
DEBT SERVICE COVERAGE**

Revenue - Sale of Electricity	89,000,000
Other Income	6,581,000
Total for Cost of Power	-51,059,000
Personnel Costs	-9,862,737
Operating & Maintenance Expenses	<u>-8,450,750</u>
NET REVENUES FOR DEBT SERVICE COVERAGE	26,208,513
DEBT SERVICE	<u>6,187,000</u>
DEBT SERVICE COVERAGE RATIO	<u><u>4.2</u></u>

**NORTH LITTLE ROCK ELECTRIC DEPARTMENT
PROPOSED 2018 BUDGET
SIGNIFICANT POINTS**

1. Revenue is based on the annual average of five years (2013-2017) of billed and projected KWh's multiplied by the average sales price per KWh of \$0.0963 which excludes any ECR adjustments. An ECR positive adjustment was calculated at \$2,000,000 and was added to the Revenue figure.
2. Other Income includes funds amounting to \$1,807,000 for projects in the 2017 Budget that will be completed in 2018. Since these projects have been moved to the 2018 Budget, the funds will "Rollover" from 2017 to 2018.
3. Total Cost of Power for 2018, including Purchase Power, Transmission, Hydro and Other Cost of Power, is projected to increase \$6,700,000 as compared to the 2017 Budget due to the following:
 - a. Purchase Power is expected to increase \$8,700,000 for 2018 mainly due to MISO power purchases not being accounted for correctly in the 2017 Budget.
 - b. Transmission cost are expected to increase \$3,300,000 due to transmission upgrades by MISO.
 - c. Hydro Capital and Operating cost are expected to decrease \$2,000,000 mainly due to Unit 1 overhaul of \$4,000,000 that was budgeted for 2017 but only 1/2 or \$2,000,000 complete in 2017; the other 1/2 or \$2,000,000 will be completed in 2018.
 - d. Other power cost are expected to decrease \$3,300,000 mainly due to Ben E. Keith Dist. Generation.
4. Personnel Costs increased \$1,9900,000 mainly due to the merger of UAD employees into Electric and an increase of \$72,000 due to increasing the City's Pension Contribution from 9% to 10%.
5. Operating and Maintenance Expenses (See Exhibit "B") are projected at \$1,040,000 less than 2017.
6. Capital Expenditures - Non Replacements (See Exhibit "B") are projected at \$7,606,000 less than 2017.
7. Capital Expenditures - Replacements (See Exhibit "B") are projected at \$335,000 less than 2017.
8. Continuing funding of "Depreciation/Reserve Fund" of \$2,216,000 from savings on debt service.
9. Operating Transfers to City of NLR remain the same at \$12,000,000.
10. Bond Debt Service for 2018 is \$6,187,000 as compared to the 2017 amount of \$5,673,000.
11. Major Capital Projects or Equipment are as follows:

McCain Substation Engineering Design Studies & Upgrades	\$800,000
Distribution System Improvements	\$400,000
System Inventory-Milsoft System	\$150,000
Fiber City to Lynch Drive Substation	\$300,000
Fiber City to Galloway Substation	\$275,000
Information Technology Equipment (Electric - Billing & Collecting)	\$300,000
Storage Building - Hydro	\$500,000
Unit 1 25 Year Turbine Overhaul (Funded - See Other Income in EXHIBIT "A")	\$2,000,000
Rework Existing Storeroom/Meter Reading Area	\$200,000
Transportation Equipment (Replacements)	\$470,000
Substation Security	\$100,000
Construction Materials	\$1,900,000
Streetlight Materials	\$1,000,000
Replacement Meters, Installation, etc.	\$350,000
Solar Project	\$250,000
Total Major Capital Projects	\$8,995,000
12. The Electric Proposed 2018 Budget has a Budget Surplus of \$1,027,013.