

Budget Review – Administrative Services



**Facilities Committee
March 16, 2016**

NCPA Commission Budget Direction – FY 2017

Operating costs
limited to
2.4% increase
for
FY 2017

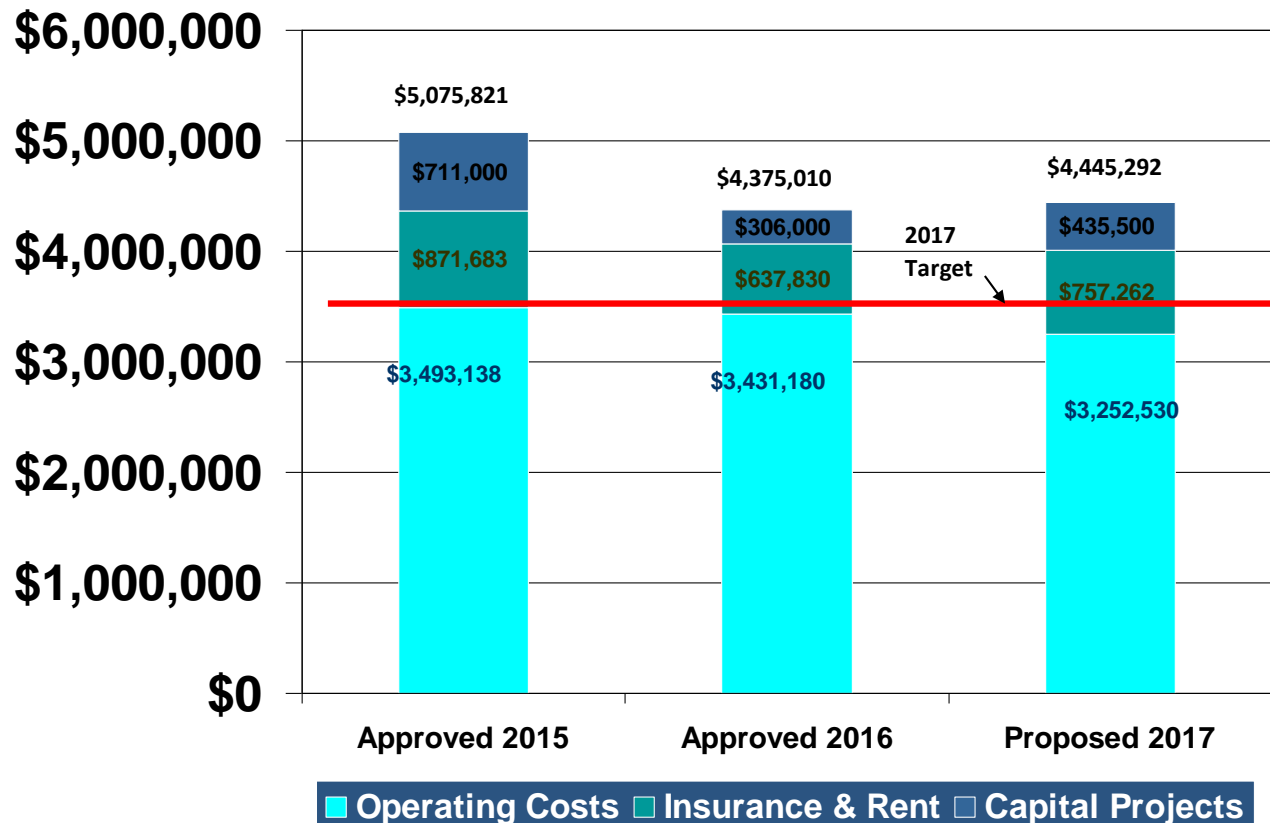
- NCPA Administrative Services FY 2017 operating costs proposed to come in below budget (~~-\$178,650 or 5.2% decrease~~) (**-\$216,750 or 6.3%**)
- Various projects proposed; \$435,500
- One additional FTE in Power Settlements for new customers **and 0.5 FTE in HR**

Administrative Services Cost Centers

- General Manager
- NERC Compliance
- Human Resources
- Accounting/Finance
- Administrative Services
- Risk Management (insurance & energy risk management)
- Settlements
- Information Services
- Building Occupancy/Facilities Management

Budget Highlights – Excluding Labor

- Total costs are up approximately \$70,000 or 1.6%
- Operating costs (teal color) are down by almost \$180,000
- Operating costs are \$260,000 below target



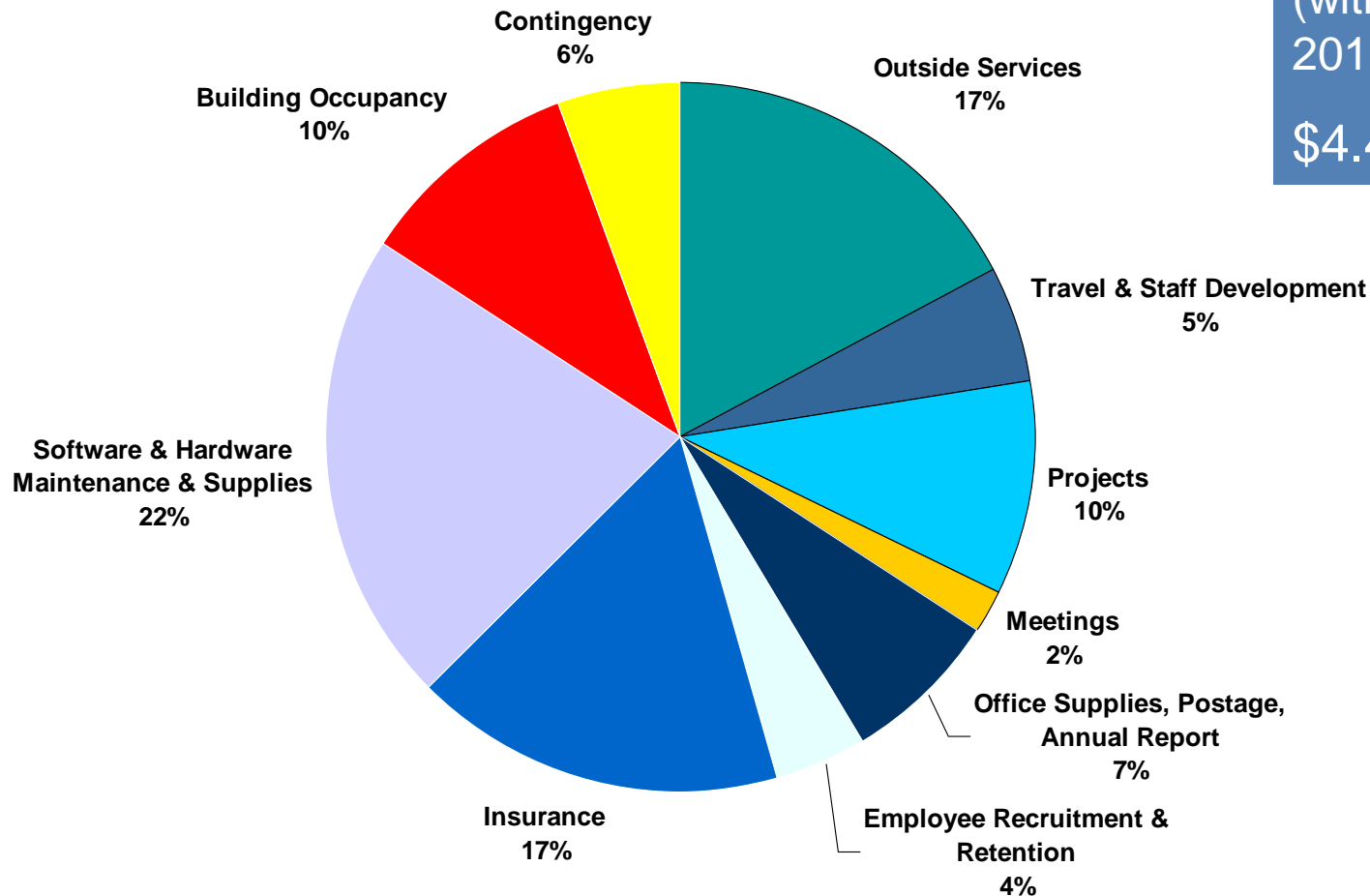
Admin Services Budget Changes by Department (without labor)

	Budget 2016	Budget 2017	\$ Change	% Change
General Manager	\$ 659,000	\$ 663,000	\$ 4,000	0.6%
NERC Compliance	182,600	161,700	\$ (20,900)	-11.4%
AGM Admin Svcs	151,000	149,000	\$ (2,000)	-1.3%
Risk Management	105,100	103,350	\$ (1,750)	-1.7%
Accounting	222,250	234,300	\$ 12,050	5.4%
Power Settlements	29,000	10,950	\$ (18,050)	-62.2%
Info Services	1,331,000	1,169,530	\$ (161,470)	-12.1%
Human Resources	288,200	288,200	\$ -	0.0%
Facilities Mgmt	463,030	472,500	9,470	2.0%
	<u>\$ 3,431,180</u>	<u>\$ 3,252,530</u>	<u>\$ (178,650)</u>	<u>-5.2%</u>
Other A & G Costs (Allocated Insurance)	637,830	757,262	119,432	
	<u>\$ 4,069,010</u>	<u>\$ 4,009,792</u>	<u>\$ (59,218)</u>	<u>-1.5%</u>
Projects:				
Office Furniture, Software & other	8,000	81,000	\$ 73,000	
Software Project (Records retention)	-	135,000	\$ 135,000	
Software Project (Accounting system)	15,000	75,000	\$ 60,000	
Software Project (Learning Management)	-	21,500	\$ 21,500	
Computer Hardware	223,000	123,000	\$ (100,000)	
Capital Projects	60,000	-	\$ (60,000)	
	<u>\$ 4,375,010</u>	<u>\$ 4,445,292</u>	<u>\$ 70,282</u>	<u>1.6%</u>

Increased liability coverage from \$35mm to \$80mm

Administrative & General Budget Breakdown

Total Budget
(without labor)
2015/16
\$4.4 million



Proposed Projects

- Replacement of Copiers at HQ - \$65,000
 - Replace 10 year old copy machines at HQ (2 color and 1 b & w)
- Computer hardware (various) - \$123,000
 - Routine replacement of aging computer equipment throughout the agency, including servers, monitors, PC's, etc.
- Learning Management System - \$21,500
 - Implementation of a learning/training tracking system to track training for regulatory and workforce development purposes
- Furniture Replacements - \$16,000
 - Replacement of furniture that is over 25 years old on a phased in basis (2 offices)
- Additional Modules for Financial software and integration with other systems - \$75,000
 - Additional reporting module for the financial system and implementation of other financial modules (project accounting, work orders, inventory, etc.)
- Records Retention Software Implementation Project - \$135,000
 - To automate records retention on the new Sharepoint platform

Funding of General Manager & Administrative Services

- Administrative & General Allocations
 - Support functions like Accounting, HR, IT, Power Settlements, General Manager, etc.
- Direct to Projects/Programs
 - Insurance, Property taxes, Debt related costs, Software, Labor etc.



Allocation of Administrative & General Cost

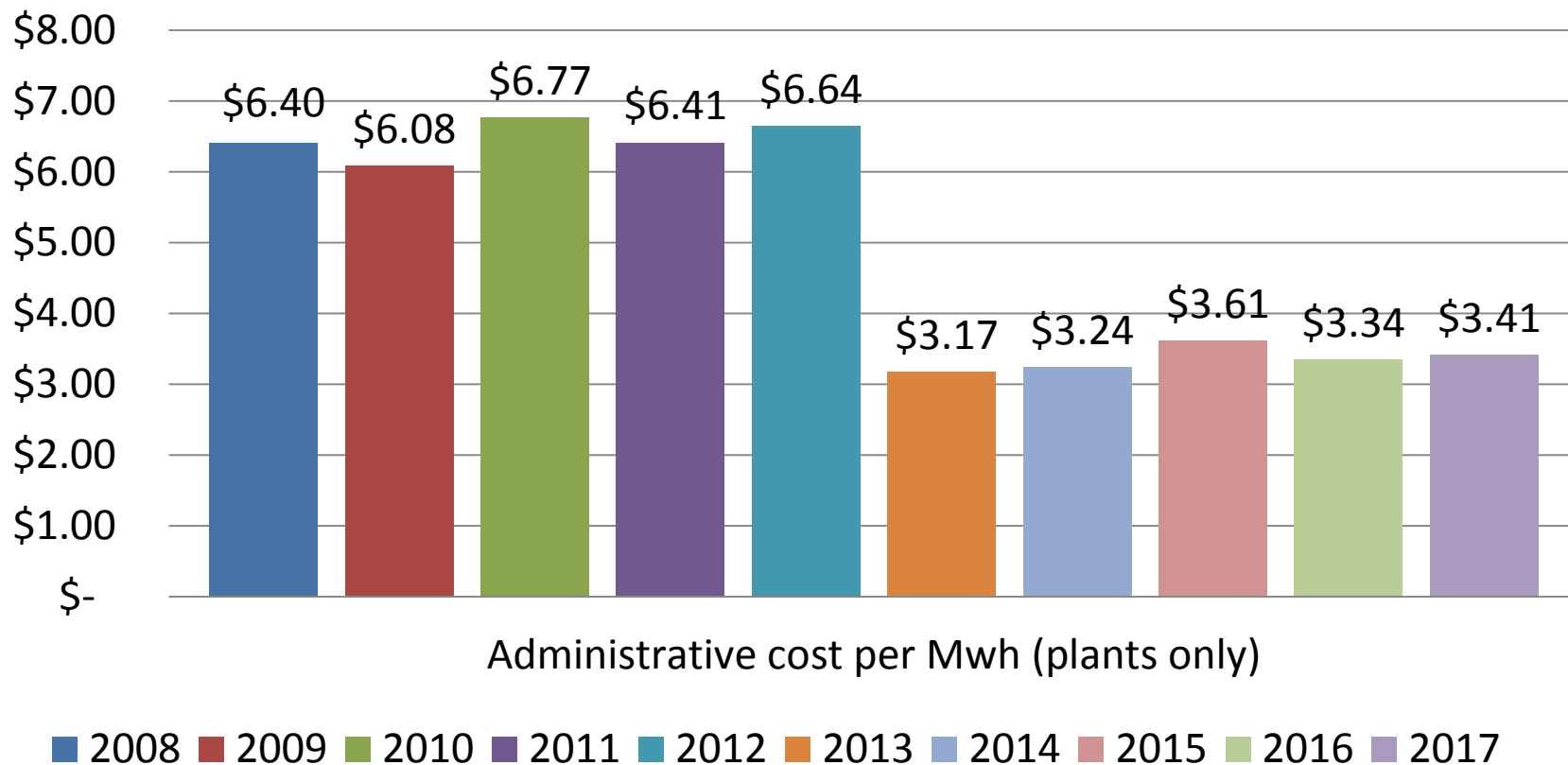
- 50% Based on Direct Labor
- 50 % Based on Program Budget Cost

Allocation of Occupancy Costs

- To Business Units based on:
 - Main Admin Building – Square Footage used
 - Office Equipment – Effective Usage
 - Telecom – Units Assigned
- To Projects/Programs
 - Based on Direct Labor



A & G Cost Comparison per Mwh



Questions?



Supporting Details

A & G Budget 2016/17

Outside Services

- General Counsel
- Annual Audit
- Actuary Services
- Trustee Fees
- Banking & Payroll Services
- Financial Advisor
- Bond Counsel
- Rating Agencies
- Temporary Staffing
- Other Consulting:
 - Human Resources
 - Property Taxes
 - Risk Management
- NERC Consulting

17% of Budget
(\$765,000)



A & G Budget 2016/17

Software & Hardware Maintenance & Supplies

Various (41) Software & Hardware systems including:

Oracle
ACES
Sharepoint
Great Plains
SCADA
Microsoft
Hewlett Packard
etc..

and maintenance of hardware

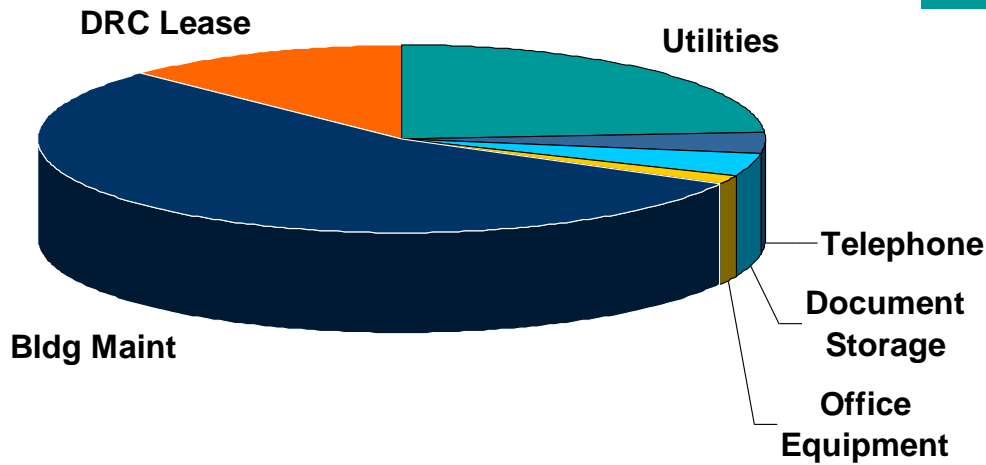
22% of Budget
(\$966,000)



A & G Budget 2016/17

Building Occupancy

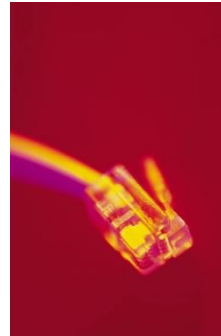
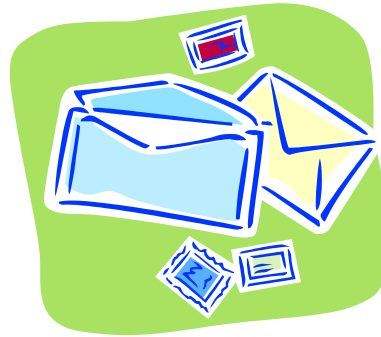
10% of Budget
(\$448,000)



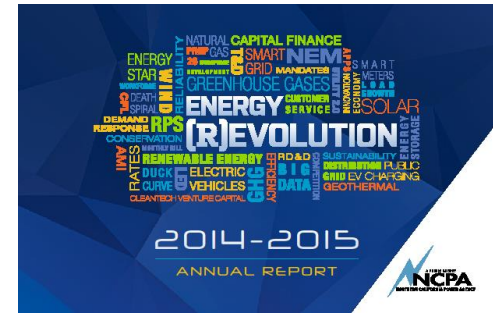
A & G Budget 2016/17

Communications, Office Supplies, Postage & Annual Report

- Office Supplies
- Postage
- Special mailings
- Annual Report
- Records production
- Communications



7% of Budget
(\$314,000)



A & G Budget 2016/17

Travel & Staff Development

- Travel to member offices
- Travel to various NCPA sites
- Travel to NCPA meetings
- Travel to CAISO meetings
- Travel to DC for members
- Staff Training
- Travel for Rating Agency Trips
- Local travel

5% of Budget
(233,000)



A & G Budget 2016/17

Employee Recruitment & Retention

- Supervisor Training
- Relocation
- Tuition Reimbursement
- Flex Spending Fees
- Physicals
- Recruitment
- Employee Appreciation
- Safety Awards
- Retiree Medical Opt Out Program

4% of Budget
(\$185,000)



A & G Budget 2016/17

Meetings

Strategic Issues Conference
Regular Commission & Committee meetings
Risk Oversight Meetings

2% of Budget
(\$91,000)



A & G Budget 2016/17 - Other

General Manager Contingency \$250,000

6% of Budget
(\$250,000)



Projects:

Computer software projects \$232,000

Computer hardware \$123,000

Office furniture \$16,000

Copiers \$65,000

10% of Budget
(\$436,000)