

Budget Review – Administrative Services



**Facilities Committee
February 15, 2017**

NCPA Commission Budget Direction – FY 2018

Operating costs
limited to
2.2% increase
for
FY 2018

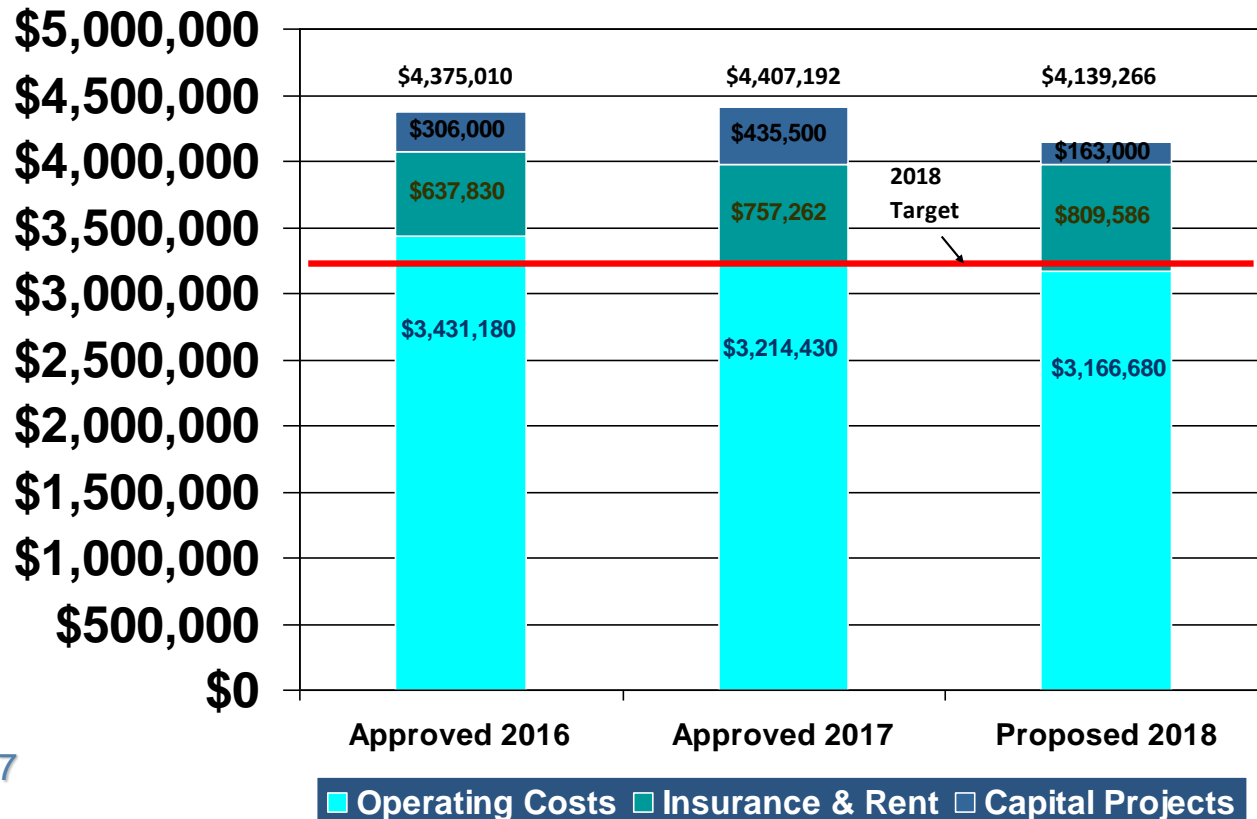
- **NCPA Administrative Services FY 2018 operating costs proposed to come in below budget (-\$48,000 or 1.5% decrease)**
- **Various projects proposed; \$163,000**
- **0.63 additional FTE in HR – Intern Program**

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

- Non-labor operating budget is down by almost \$48,000
- Non-labor operating budget is \$119,000 below target
- Overall non-personnel budget is down \$268,000 or 6.1%

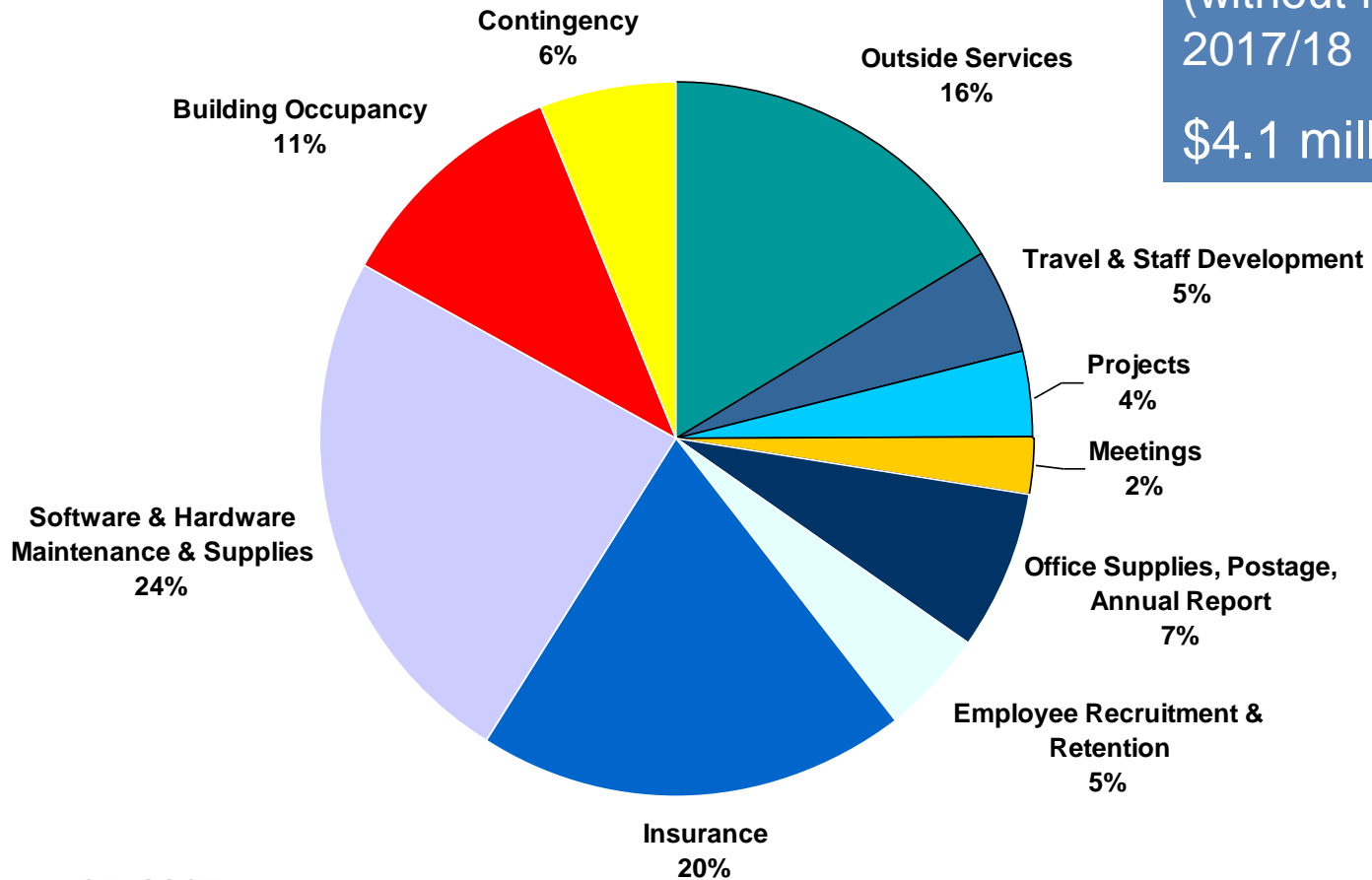


Admin Services Budget Changes by Department (without labor)

	2017	2018	Change	% Change
General Manager	\$ 661,000	\$ 634,500	\$ (26,500)	-4.01%
NERC Compliance	161,700	84,700	(77,000)	-47.62%
Admin Svcs	149,000	146,000	(3,000)	-2.01%
Risk Management	103,350	94,250	(9,100)	-8.81%
Accounting	220,700	210,900	(9,800)	-4.44%
Settlements	10,950	8,680	(2,270)	-20.73%
Info Services	1,169,530	1,213,400	43,870	3.75%
Human Resources	265,700	301,750	36,050	13.57%
General Services	472,500	472,500	-	0.00%
	<u>\$ 3,214,430</u>	<u>\$ 3,166,680</u>	<u>\$ (47,750)</u>	<u>-1.49%</u>
Other A & G Costs (Allocated Insurance)	757,262	809,586	52,324	
	<u>3,971,692</u>	<u>3,976,266</u>	<u>4,574</u>	<u>0.12%</u>
Projects:				
Office Furniture, Software & Other	81,000	-	(81,000)	
Software Projects (Records Retention)	135,000	-	(135,000)	
Software Projects (Accounting System)	75,000	-	(75,000)	
Software Projects (Learning Management)	21,500	25,000	3,500	
Computer Hardware	123,000	123,000	-	
Storage Container - HQ	-	15,000	15,000	
	<u>4,407,192</u>	<u>4,139,266</u>	<u>(272,500)</u>	<u>-6.18%</u>
Total Budget				

Administrative & General Budget Breakdown

Total Budget
(without labor)
2017/18
\$4.1 million



Proposed Projects

- Computer hardware (various) - \$123,000
 - Routine replacement of aging computer equipment throughout the agency, including servers, monitors, PC's, etc.
- Learning Management System - \$25,000
 - Implementation of a learning/training tracking system to track training for regulatory and workforce development purposes
- Storage Container at HQ - \$15,000
 - Eliminate storage unit offsite rental

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

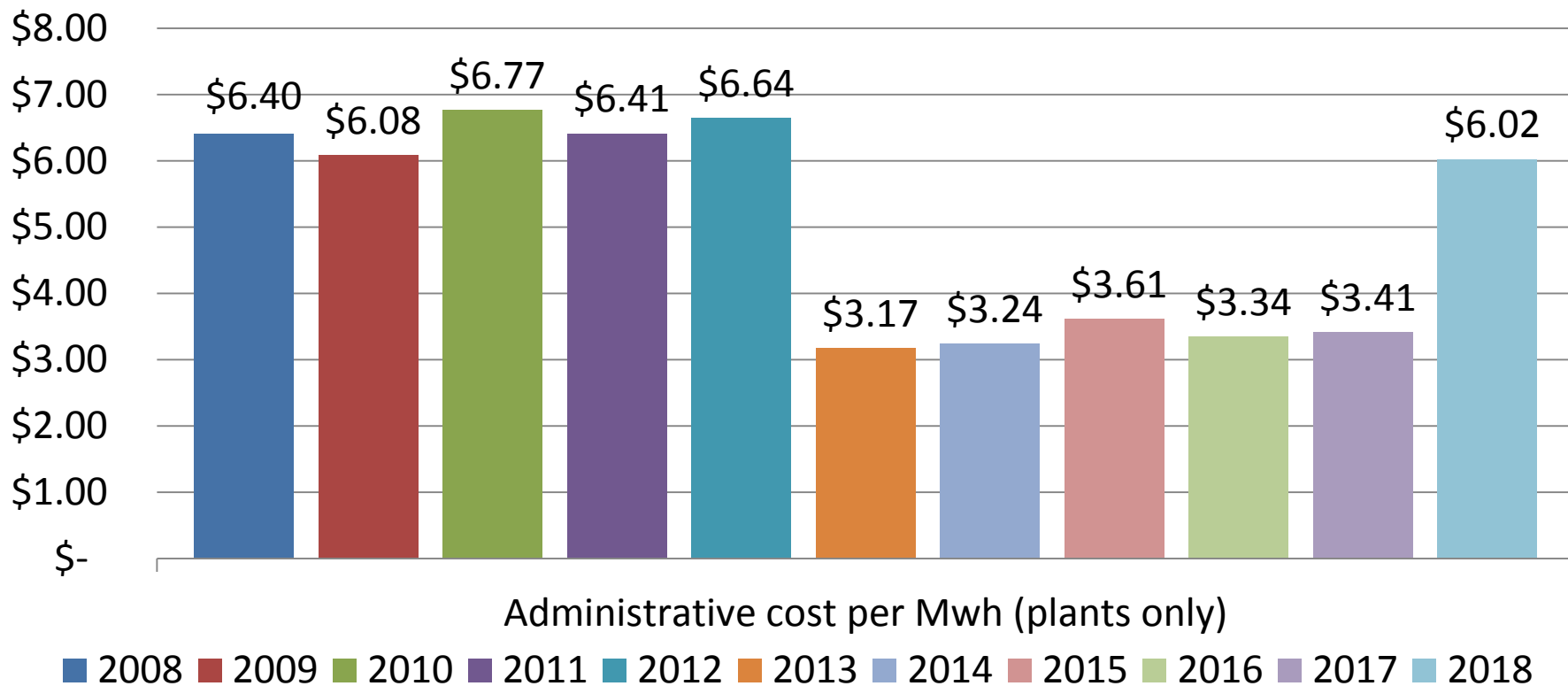
- 50% Based on Direct Labor
- 50 % Based on Program Budget Cost

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 2017/18

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

16% of Budget
(\$683,000)



A & G Budget 2017/18

Software & Hardware Maintenance & Supplies

Various Software & Hardware systems including:

Oracle
SharePoint
Great Plains
SCADA
Microsoft
Hewlett Packard
etc..

and maintenance of hardware

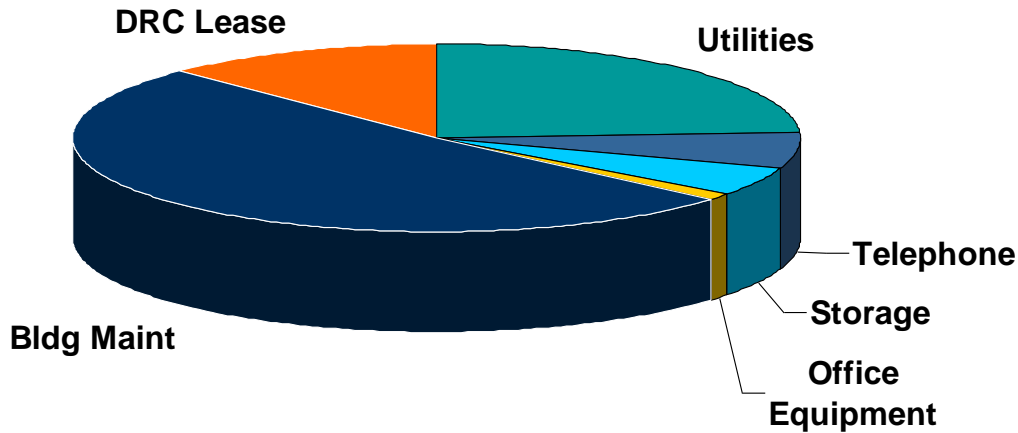
24% of Budget
(\$1,000,000)



A & G Budget 2017/18

Building Occupancy

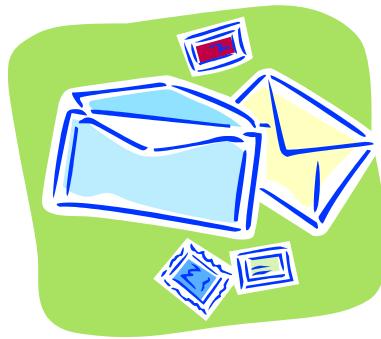
11% of Budget
(\$448,000)



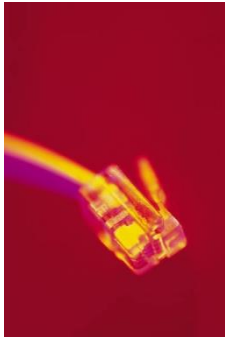
A & G Budget 2017/18

Communications, Office Supplies, Postage & Annual Report

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



7% of Budget
(\$302,000)



A & G Budget 2017/18

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
(194,000)



A & G Budget 2017/18

Employee Recruitment & Retention

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

5% of Budget
(\$194,000)



A & G Budget 2017/18

Meetings

Strategic Issues Conference
Regular Commission & Committee meetings
Risk Oversight Meetings

2% of Budget
(\$96,000)



A & G Budget 2017/18 - Other

General Manager Contingency \$250,000

6% of Budget
(\$250,000)



Projects:

Computer software projects \$25,000

Computer hardware \$123,000

Storage Container \$15,000

4% of Budget
(\$163,000)