



**Finance Committee
Budget Work Session
May 2, 2013**

Tentative Numbers Received from Pasquotank County

Function	County	City	Difference
Central Communications	352,613	345,000	7,613
Animal Control	122,911	112,000	10,911
Senior Center	90,274	90,642	(368)
Parks & Recreation	830,019	925,279	(95,260)

The County removed the Dog Park, the purchase of land for a stadium and the multipurpose field from the budget.

Adjustments to Recommended Budget FY 2013-2014

Add Two Surveillance Cameras	-11,000	
Reduction in In-Car Cameras	15,000	
Remove Dog Park	10,440	
Remove Multipurpose Field	22,500	
Remove Baseball Stadium	45,000	
Central Communications Deficit	-7,613	
Animal Control Deficit	-10,911	
Reduction in Pasq. County P/R		-95,260
Reduction in County Dog Park		12,760
Reduction in County Multipurpose Field		27,500
Reduction in County Baseball Stadium		55,000
Increase in Property Tax Valuation	100,000	
Total	163,416	0

New Grant to Be Included In Budget

- **Governor's Highway Safety Program**
 - Grant Amount - \$62,500
 - State Share - \$46,875
 - City Share - \$15,625 (*)
- (*) Will need to be added to budget.**

Electric Fund Overview

Historical Electric Fund Month-End Cash Balances

	2008	2009	2010	2011	2012	2013
January	5,606,067	3,867,543	4,635,588	4,734,377	3,974,916	3,876,898
February	5,552,817	3,524,724	3,636,043	5,074,457	3,641,910	3,844,681
March	5,520,298	4,377,577	4,483,914	5,065,111	3,757,547	3,607,983
April	5,535,846	4,494,462	5,034,168	3,728,095	3,933,970	4,166,222
May	5,673,604	4,875,897	5,328,173	4,037,542	3,829,078	
June	5,196,349	4,501,220	4,635,588	4,620,221	3,565,740	
July	5,019,654	4,557,280	4,557,280	4,362,263	3,466,654	
August	5,320,693	4,488,625	4,427,666	4,537,558	3,448,868	
September	5,594,276	4,646,909	4,646,909	4,937,898	4,164,750	
October	5,496,904	5,035,830	5,035,830	5,243,109	4,861,274	
November	5,073,797	5,123,648	5,123,648	5,475,165	4,950,287	
December	4,944,982	5,153,912	5,310,980	5,317,440	4,826,507	

Effective May 1, 2012, a 3.92% rate increase was adopted. The months subject to that rate increase are indicated in bold.

Revenue-Electric Fund

• Energy Sales	\$38,568,714
• Late Fees	475,000
• Interest Earned on Investments	4,500
• Retained Earnings Appropriated	0
• Other Financing Source	575,000
• Miscellaneous	359,681
• Total	\$39,982,895

Budgeted Expenses

Electric Enterprise Operation

- Purchase of Power **\$32,150,000**
 - Anticipated Sales – 334,590,525 kW
- Total Revenue **\$39,982,895**
- Amount of money available to operate the department **\$7,832,895**
- A 1% rate increase will generate **\$385,000**

Information Technologies Service Level Summary (Electric Fund)

Expenditures	FY 2013 Budget	FY 2014 Proposed
Personal Services Expenditures	\$64,743	\$68,079
Operating Expenditures	\$50,192	\$50,897
Capital Expenditures	\$273,455	\$180,000
Other Expenditures		
Information Tech Fund Totals	\$388,390	\$298,976
Number of Budgeted Positions	1FT*	1FT*

***Two full-time positions funded by Electric and Water/Sewer Funds**

Purchasing/Warehousing Service Level Summary

Expenditures	FY 2013 Budget	FY 2014 Proposed
Personal Services Expenditures	\$132,709	\$132,803
Operating Expenditures	\$36,392	\$42,426
Capital Expenditures	\$25,000	\$2,860
Other Expenditures		
Purchasing Fund Totals	\$194,101	\$178,089
Number of Budgeted Positions	3FT	3FT

Electric Non-Departmental Service Level Summary

Expenditures	FY 2013 Budget	FY 2014 Proposed
Personal Services Expenditures	\$211,500	\$144,800
Operating Expenditures	\$32,434,388	\$32,344,086
Capital Expenditures		
Other Expenditures	\$1,967,000	\$1,967,000
Electric Non-Departmental Fund Totals	\$34,612,888	\$34,455,886
Number of Budgeted Positions	-0-	-0-

Highlights

Electric Non-Departmental Service Level

- Group Insurance-Retirees \$142,800
- Purchase for Resale \$32,150,000
- Payment to General Fund \$600,000
 - In Lieu of Services
- Payment to General Fund \$1,050,000
 - In Lieu of Taxes
- Debt Service – 2nd Delivery Point \$272,000
- Debt Service – Fixed Area Network \$ 45,000

Customer Service Service Level Summary (Electric Department)

Expenditures	FY 2013 Budget	FY 2014 Proposed
Personal Services Expenditures	\$354,687	\$356,331
Operating Expenditures	\$132,539	\$140,304
Capital Expenditures	\$22,460	\$80,136
Other Expenditures		
Customer Service Fund Totals	\$509,686	\$576,686
Number of Budgeted Positions	8FT/1PT*	8FT/1PT*

***Two part-time positions funded from Electric and Water/Sewer Funds**

Electric Distribution Service Level Summary

Expenditures	FY 2013 Budget	FY 2014 Proposed
Personal Services Expenditures	\$1,139,487	\$1,155,448
Operating Expenditures	\$935,341	\$890,500
Capital Expenditures	\$5,335,045	\$1,035,600
Other Expenditures	-0-	-0-
Electric Distribution Fund Totals	\$7,409,873	\$3,081,548
Number of Budgeted Positions	20.25FT*	20.25FT*

***Includes Public Utilities Director and GIS Technician funded from General, Electric and Water/Sewer funds**

Highlights

Electric Distribution Service Level

- **Maintenance & Repair-Lines \$325,000**
 - Pole replacement, switches, transformer services, primary and related distribution expenses
- **Line Improvements \$175,000**
 - New construction, commercial parks, substation work, line extensions
- **Fixed Area Network \$575,000**
- **Capital Outlay-Equipment \$285,600**

Load Management Service Level Summary

Expenditures	FY 2013 Budget	FY 2014 Proposed
Personal Services Expenditures	\$361,610	\$369,558
Operating Expenditures	\$744,618	\$694,067
Capital Expenditures	\$191,700	\$328,000
Other Expenditures	-0-	-0-
Load Management Fund Totals	\$1,297,928	\$1,391,625
Number of Budgeted Positions	5FT	5FT

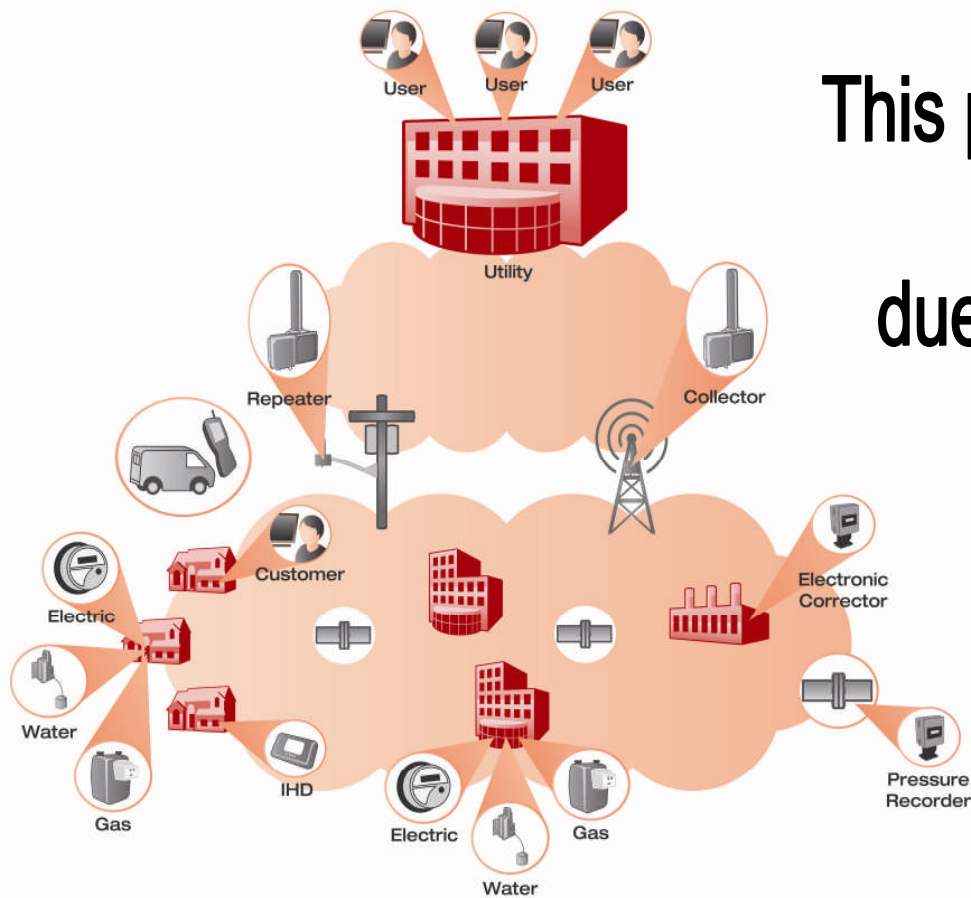
Highlights

Load Management Service Level

- Maintenance & Repair-Generators - 115,000
 - Testing, oil changes, filters, repairs, rebuilding generator #2, 26 Generators
- Weatherization Program (Energy Audits) - 160,000
- Heat Pump Rebate - 10,000
- Attic Insulation Rebate 2,000
- Capital Outlay Equipment
 - Switches (\$125 each) 50,000
 - Switch Control 120,000
 - Peak Generation Engines 140,000
 - Van 18,000

Fixed Area Network

This project has been delayed
in FY 2012-2013
due to technology reasons.



Fixed Area Network

- Five Companies have been identified
 - Cooper Power Systems \$2,748,556
 - Aclara \$1,934,640
 - G.E. (*) \$2,021,568
 - ITRON \$1,733,506
 - Tantalus \$2,202,270

(*) Annual Fee – Not a Solution

Cooper Power Systems

- **Pros**

- Residential Whole House remote disconnect
- Load Management Switch
- Logics compatible
- Load Profile/outage detection

- **Cons**

- All electric & water meters will need ERT replacement
- \$75 residential electric ERT module
- \$200 commercial electric module

Total Estimated Cost - \$2,748,556

Annual Maintenance Fee - \$9,800

Aclara

- **Pros**

- Residential Whole House remote disconnect
- Load Management Switches
- Logics comparable
- Load Profile/outage detection

- **Cons**

- All electric & water meters will need to be replaced
- \$80 for water ERT
- \$100 for electric ERT

Total Estimated Cost + Network Cost

\$1,934,640

G.E.

- **Pros**

- G.E. Hosted
- G.E. Owns & Maintains Meters
- Load Management Switches
- Residential Whole House Remote Disconnect
- Web Portal

- **Cons**

- All meters will be replaced
- Recurring monthly charge to read meters
- G.E. gets a % of load management savings

Total Estimated Cost Per Year

\$2,021,568

ITRON

- **Pros**

- Works with **ALL** existing **NEWER** electric and water ERT meters
- Hosted or City Hosted
- Logics Compatible

- **Cons**

- Will not work with older ARM electric ERT meters- \$58 per meter
- No remote residential whole house disconnect
- Nighthawk disconnect + cost
- No load management switch

Total Estimated Cost

\$1,733,506

Tantalus

- **Pros**

- Works with existing **newer residential** electric and water ERT meters
- Residential whole house remote disconnect
- Logics Compatible
- Load profile/outage detection
- Load management switch
- Home area network/smart thermostat
- City hosted
- Meter & switch is a repeater

- **Cons**

- Will not work with Sentinel Commercial meter - \$200 per meter
- Will not work with older ARM electric ERT meters - \$65 per meter

Total Estimated Cost - \$2,202,270

Annual Maintenance Fee - \$36,046

Water and Sewer Fund

Overview

Water Statistics

- Total Amount of Water Treated
 - **746,000,000 gallons**
- Total Amount of Water to be Purchased from County
 - **91,000,000 gallons**
- Net water to be treated
 - **655,000,000 gallons**
- City's gross cost to treat water
 - **\$1.84 per 1,000/gallons (Annually \$1,203,733)**
- Cost savings not to treat water
 - **75¢ per 1,000 gallons (\$68,000 per year)**

Water Statistics, con't.

- Gross cost of purchased water
 - **\$5.34/1,000 gallons (\$486,000)**
- Net cost of purchased water
 - **\$4.59/1,000 gallons (\$417,000)**

Water/Wastewater Capacity

Projected Year

WTP and WWTP Reach Plant Capacity

	Growth	
	1%	2%
* WTP @ 3MGD	2050	2030
** WWTP @3.6 MGD	2040	2028

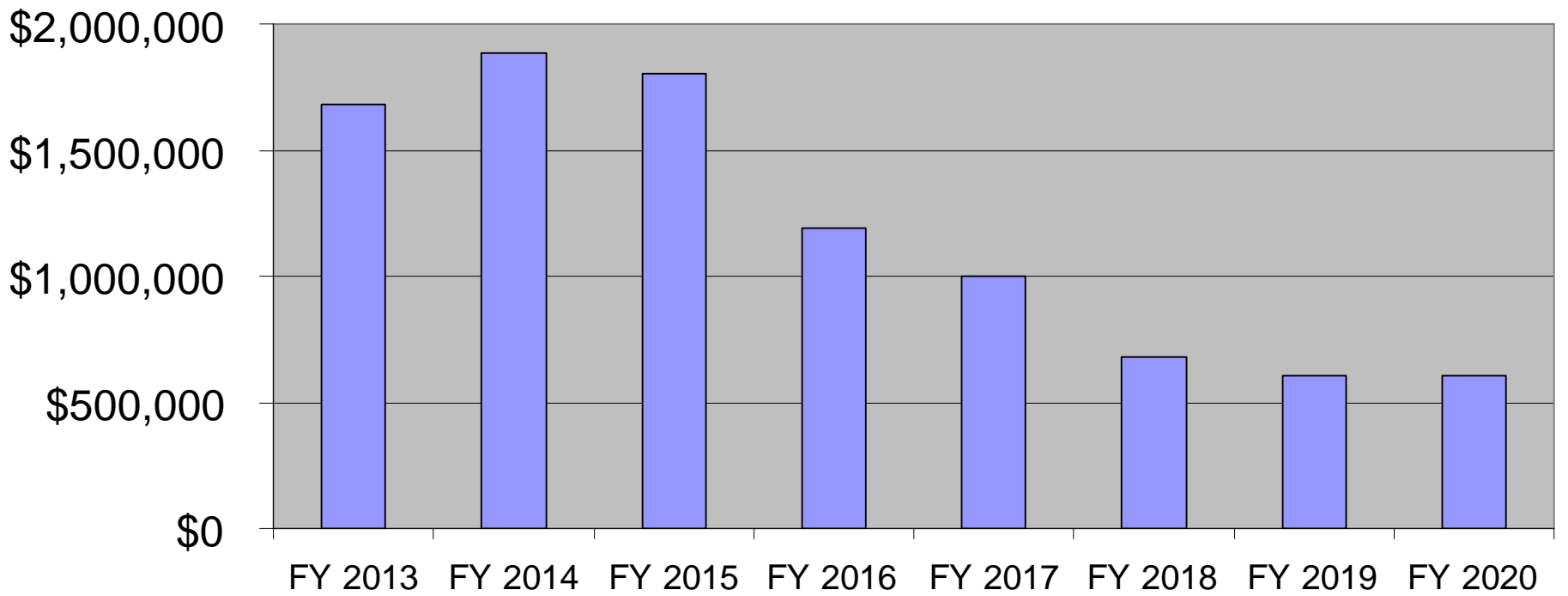
* WTP - when the Water Treatment Plant is at 3MGD The City should consider purchase of additional RO Water rather than plant expansion.

** WWTP - The City will be required by DENR to start design of the Waste Water Treatment Plant when the Plan reaches an average daily flow of 3.6 MGD

Revenue – Water & Sewer Fund

- Antenna Rental \$ 122,000
- Water Revenues \$4,545,000
- Sewer Revenues \$2,632,354
- W/S Surcharge \$ 210,000
- Sewer Service Fees \$ 225,000

Water and Sewer Fund Debt Payments



Information Technologies Service Level Summary (Water/Sewer Fund)

Expenditures	FY 2013 Budget	FY 2014 Proposed
Personal Services Expenditures	\$64,743	\$68,079
Operating Expenditures	\$51,586	\$55,773
Capital Expenditures	-0-	-0-
Other Expenditures	-0-	-0-
Information Tech Fund Totals	\$116,329	\$123,852
Number of Budgeted Positions	1FT*	1FT*

***Two full-time positions funded by Electric and Water/Sewer Funds.**

Non-Departmental Service Level Summary (Water & Sewer Fund)

Expenditures	FY 2013 Budget	FY 2014 Proposed
Personal Services Expenditures	\$81,500	\$49,865
Operating Expenditures	\$60,000	\$60,000
Capital Expenditures		
Other Expenditures	\$1,882,463	\$1,872,346
Non-Departmental Fund Totals	\$2,023,963	\$1,982,211
Number of Budgeted Positions	-0-	-0-

Highlights

Non-Departmental Service Level (Water & Sewer Fund)

• Debt Service W/S/ Improvements . . .	\$325,158
• Debt Service Well Improvements . . .	59,156
• Payment-Loan Principal	820,861
• Payment-Loan Interest	117,171
• MACS-Payment for Services	300,000
• Debt Service Crescent Drive	40,000
• Debt Service Brooks Avenue	60,000
• Debt Service FAN	100,000

Customer Service Service Level Summary (Water/Sewer Fund)

Expenditures	FY 2013 Budget	FY 2014 Proposed
Personal Services Expenditures	\$354,894	\$356,331
Operating Expenditures	\$131,522	\$141,129
Capital Expenditures	-0-	\$5,000
Other Expenditures		
Customer Service Fund Totals	\$486,416	\$502,460
Number of Budgeted Positions	8FT/1FT*	8FT/1FT*

***Two part-time positions funded from Electric and Water/Sewer Funds.**

Water Treatment Service Level Summary

Expenditures	FY 2013 Budget	FY 2014 Proposed
Personal Services Expenditures	\$408,271	\$416,422
Operating Expenditures	\$1,283,474	\$1,321,630
Capital Expenditures	-0-	-0-
Other Expenditures	\$115,000	\$122,583
Water Treatment Fund Totals	\$1,806,745	\$2,367,835
Number of Budgeted Positions	11.66FT*	11.66FT*

***Includes Public Works Director and GIS Technician position funded from General, Electric and Water/Sewer funds.**

Highlights

Water Treatment Service Level

- Utilities \$213,000
- Chemicals & Lab Supplies \$265,000
 - Major Items: Lime - \$150,000,
Chlorine - \$16,000, Alum Diox - \$80,000
- Contracted Services \$102,000
 - Major Item: Sludge removal
- Water Line (Pasq. Co.) \$122,583
- Purchased Water (RO) \$500,000

Wastewater Treatment Service Level Summary

Expenditures	FY 2013 Budget	FY 2014 Proposed
Personal Services Expenditures	\$498,695	\$516,664
Operating Expenditures	\$1,104,893	\$1,061,579
Capital Expenditures	\$47,100	\$18,800
Other Expenditures	-0-	-0-
Wastewater Treatment Fund Totals	\$1,650,688	\$1,597,043
Number of Budgeted Positions	8FT	8FT

Highlights

Wastewater Treatment Service Level

- Utilities \$340,000
- Contracted Services \$300,000
 - Sludge removal for land application
8 times per year - \$260,000
 - Dumpster Service - \$28,000

Water & Sewer Maintenance Service Level Summary

Expenditures	FY 2013 Budget	FY 2014 Proposed
Personal Services Expenditures	\$800,067	\$816,694
Operating Expenditures	\$783,656	\$774,534
Capital Expenditures	\$1,613,000	\$1,198,000
Other Expenditures	-0-	-0-
W & S Maintenance Fund Totals	\$3,196,723	\$2,789,278
Number of Budgeted Positions	17FT	17FT

Highlights

Water & Sewer Maintenance Service Level

- Contracted Services \$200,000
 - Major Items: Water & Sewer infrastructure repair or replacement; Clean & inspect sewer mains
- Pump Station Improvements \$114,500
 - Grice Street - \$45,000
 - Pump & Equipment Rehabilitation - \$50,000
- Capital Improvements
 - Replace Water Meters for FAN \$989,000

Revenue – Stormwater Utility

Stormwater Utility Fund

- Salaries & Wages \$ 30,478
- Contingency 84,969
- Other Expenses 6,053
- Roanoke Ave. Ph. III 1,024,693
- Fairgrounds 50,000
- Debt payment-Phase III 225,000
- Total \$1,421,193