



MEMORANDUM

To: Mayor and Members of the City Council

From: Montre' Freeman, City Manager
Alicia Steward, Finance Director
Brian Lewis, Assistant Finance Director

Date: August 25, 2023

Subj: Consideration – Approval of Budget Amendment for Commercial Customer Transformer Fees

BACKGROUND:

Occasionally, budget amendments are needed after the initial budget is adopted by the City Council in June for the following fiscal year. These amendments are necessary for a variety of reasons – to carry forward projects that were approved in the prior year, but were not completed before June 30th; to reflect contracts that were approved in the current year, but were not foreseen and previously budgeted; and for increases in costs that were estimated in the budget at a lower amount. On March 27, 2023, the Council authorized an amendment to the electric fee schedule, which allowed the department to begin charging commercial customers the cost of their transformers and fees charged for supplying electricity to the business to open.

ANALYSIS:

The Electric Department has received payment for the WAWA transformer purchase and the fees associated with electrical line relocation by River City Construction, Inc. in the amount of \$107,000. This project is expected to be completed before the end of FY 2024, making it a single-year project, and the revenue and expenses should be allocated for the project.

STAFF RECOMMENDATION:

By motion, approve the attached budget amendment to modify the original Budget Ordinance as approved by the City Council on June 30, 2023.



AGENDA ITEMS	Council Meeting Date:
Reference No. <u>2023.08.28</u>	Monday, August 28, 2023
Department: <u>Public Utilities - Electric</u>	
Fund Number/Department Number: <u>30- 8300</u>	Public Hearing:
	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

BACKGROUND: On March 27, 2023 Council approved to begin charging commercial customers the cost for their transformer and fees charged to the city for supplying electricity to the commercial business to open.

Financial Impact: One Time Recurring

Comments:

Analysis: The Electric department has received payment for the WAWA transformer purchase and the fees charged for the lines relocation by River City Construction Inc. in the amount of \$109,300. This project is projected to be completed before the end of fiscal year 2024 making this a single year project, and the revenue and expenses are to be allocated for the quoted expenses for the project

Department Head Recommendation: Recommendation to approve transfer request to allocate funds for the WAWA transformer purchase and electrical line relocation.

Attachments: Yes No

Reviewed by:

Department Head: Donell White
Date: _____
Finance Officer: Shana Steward
Date: 8/24/23
City Manager: _____
Date: _____

FINANCE DEPT OFFICE USE	
<input checked="" type="radio"/>	Recommend for Approval
<input type="radio"/>	Do not recommend



AMENDMENT TO FISCAL YEAR BUDGET ORDINANCE
CITY OF ELIZABETH CITY

BE IT ORDAINED by the City Council of the City of Elizabeth City, North Carolina:

SECTION I. To amend the Budget Ordinance for Fiscal Year 2024, the appropriations are to be changed as follows:

Account #	Department / Account Title	Decrease	Increase
30-8300-3301	Purchase of Consumer Materials		\$109,300.00
	Total	\$	\$109,300.00
	Total change in Expenses \$		109,300.00

SECTION II. To amend Fiscal Year 2024 Budget Ordinance, the estimated revenues are to be changed as follows:

Account #	Department / Account Title	Decrease	Increase
30-3350-0020	Consumer Material Fee		\$109,300.00
	Total	\$	\$109,300.00
	Total change in Expenses \$		109,300.00

These amendments will appropriate the quoted revenue and expenditures for the WAWA transformer purchase and electrical line relocation.

ADOPTED, this 28th day of August 2023.

E. Kirk Rivers,
Mayor

April Onley, NCCMC
City Clerk