



MEMORANDUM

To: Mayor and Members of the City Council

From: Montre' Freeman, City Manager
Donnell R. White, Electric Superintendent

Date: March 24, 2023

Subj: Hold a Public Hearing - Cost of Operations – Amendment to Fee Schedule

BACKGROUND:

In the past, the City's Electric Department has not charged commercial customers for the cost of transformers. This was a practice put in place many years ago, and primarily served as an effort to facilitate the growth of our commercial sector. We are now in an era where our commercial business is booming and it no longer necessitates that we forgo normal fees to attract new business. Nearly all other towns / municipalities charge for transformers, and at the price point these items are at now, it is imperative that we begin properly charging for them instead of the City eating the cost.

ANALYSIS:

The Electric Department would like to have an amendment to the fee schedule considered in order to move forward with charging commercial customers for the cost of their transformers. We do not intend to charge for labor, just the materials alone. We intend to include this fee in the schedule as "market rate" as the cost of these supplies is ever fluctuating and varies based on size. This new fee will help with operations and infrastructure costs in the future. As this is a change / addition to our fee schedule, the Council will need to call for a public hearing if it is the desire of the body to move forward.

AT THE CONCLUSION OF THE PUBLIC HEARING:

STAFF RECOMMENDATION:

By motion, adopt the attached ordinance amending the electric fee schedule as it relates to transformers.



Ordinance #2023-03-02
An Ordinance Amending the FY 2022-2023 Fee Schedule
of the City of Elizabeth City

WHEREAS, each year, the City of Elizabeth City adopts a Fee Schedule, which corresponds to the annual budget; and

WHEREAS, the City Council adopted the FY 2022-2023 Budget and Fee Schedule on June 30, 2022; and

WHEREAS, on March 27th, 2023, the Council approved adoption of an amendment as recommended by the Electric Department to add fees for the purchase of transformers by commercial customers, which had never existed in the schedule prior to this point; and

WHEREAS, the demands and the expectations of the Elizabeth City Electric Department have increased over the years, and our costs have drastically risen, yet we have never charged the necessary fees for transformers for our commercial customers; and

WHEREAS, after review and discussion, it was determined that adding this fee into the schedule was in order; and

WHEREAS, during the March 13th, 2023 City Council meeting, the Council called for a Public Hearing, which was subsequently advertised and held during the March 27th, 2023 regular session, at which time a quorum of the membership was present.

NOW THEREFORE BE IT ORDAINED that the City of Elizabeth City Fee Schedule for FY 2022-2023 is hereby amended to reflect the following:

SECTION I.

Electric Service Rates and Costs:

- The City of Elizabeth City will carry out transformer setting and installation for our commercial customers and the customer shall incur the cost of the transformers. The transformers shall be charged at market rate, which may vary depending on size of the pole.

SECTION II. All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION III. If any section, subsection, paragraph, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed severable and such holding shall not affect the validity of the remaining portions hereof.

SECTION IV. The enactment of this ordinance shall in no way affect the running of any amortization provisions or enforcement actions, or otherwise cure any existing municipal code violations.

SECTION V. This ordinance shall be in full force and effect and included in the City of Elizabeth City's fee schedule from and after the date of its adoption. This ordinance may be amended from time to time with the consideration of the City Council of the City of Elizabeth and with the requisite Public Hearings associated with such decisions.

ADOPTED this the 27th day of March, 2023.

E. Kirk Rivers
Mayor

April D. Onley, NCCMC
City Clerk