



MEMORANDUM

To: Mayor and Members of the City Council

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

Date: January 19, 2024

Subj: Call for a Public Hearing - Amendment to Electric Fee Schedule

BACKGROUND:

On March 27, 2023, the City Council adopted Ordinance #2023-03-02 amending the City's FY 2022-2023 Fee Schedule as it related to the cost of transformers for commercial customers. Ordinance #2023-03-02 effectively ended the City's old practice of forgoing fees for transformers, which had served for years as an effort to facilitate the growth of our commercial sector. As commercial business is booming, nearly all other towns / municipalities charge for transformers, and with the ever-rising prices, it was imperative that the City began charging properly for them instead of eating the cost ourselves.

ANALYSIS:

In analyzing the minimal language adopted at that time, the Electric Department has determined that the ordinance may require an amendment to account for other situations where the transformer purchase may be necessary. Additionally, the prices for storage and delivery of transformers is also on the rise and our ordinance would benefit from more detail. As such, language should be added that explicitly states that, "All commercial and residential customers who request a 3-phase transformer are responsible for 100% of the transformer cost, in addition to a 20% upcharge to cover the shipping and delivery of the transformer, as well as the installation."

STAFF RECOMMENDATION:

This item will require a public hearing, but is first being presented for Committee discussion on the Work Session. This item will appear as a Call for a Public Hearing during the February 12, 2024 Regular Session.



Ordinance #2024-02-XX
An Ordinance Amending the FY 2023-2024 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 2023-2024 Budget and Fee Schedule on June 36, 2023; 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 that point; and

WHEREAS, the demands and the expectations of the Elizabeth City Electric Department have continued to increase, as have costs associated with transformers, and the Electric Department has determined that there should be additional language added into the section in question to provide more detail; and

WHEREAS, after review and discussion, it was noted that there should be language stating that, "All commercial and residential customers who request 3-phase transformers are responsible for 100% of the transformer cost, in addition to a 20% upcharge to cover the shipping and delivery of the transformer, as well as the installation"; and

WHEREAS, the City Council called for a Public Hearing on February 12, 2024, and subsequently held a Public Hearing on February 26, 2024 to adopt the amendment to this ordinance as required.

NOW THEREFORE BE IT ORDAINED that the City of Elizabeth City Fee Schedule for FY 2023-2024 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.
- The City of Elizabeth City shall charge all commercial and residential customers the full cost of 3-phase transformers, in addition to a 20% upcharge, which shall be used to cover the cost of shipping and delivery of the transformer, as well as the installation.

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 26th day of February, 2024.

E. Kirk Rivers
Mayor

April D. Onley, NCCMC
City Clerk