



FY 2023-2024 Budget Message

Over the last six months, Pineville staff members have worked to finalize the proposed 2019-2020 Fiscal Year Budget. This year's total budget of \$37,411,892 for General Fund, Restricted Fund, Telephone, Electric Fund, and Capital Improvement Plan is presented in a balanced format, with careful consideration in mind to the continuing the high service level standards the Town of Pineville wishes to provide.

This year was a reevaluation year for Mecklenburg County and subsequently the Town of Pineville. Mecklenburg does a revaluation every 4 years to try to combat large swings in tax values for homes. The new valuation of real estate within the town increased by an average of 34%. Unlike at the previous revaluation residential properties had the largest increase averaging around 53% per parcel. The increase in valuation of real estate accounted for most of the increases within the General Fund. The increase in revenue was used to invest in the town's employees who play a vital role in the high quality of services provided by the town. Town Departments' operating expenses held flat from last year.

The proposed budget, because of the increase in reevaluation, decreases the tax rate to \$0.285 (\$0.045) while still funding critical infrastructure projects and projects to increase the quality of life of residents in Pineville. Due to the increase in home prices the revenue neutral rate is \$0.245 per \$100, which is a decrease of \$0.085 from the current tax rate of \$0.33. All \$0.04 in the proposed budget above revenue neutral is slated to go employees for salary increases so the town can stay competitive and reward team members for making Pineville a great place to live. Each penny, due to the revaluation, generates about \$365,000 in revenue. At the proposed tax rate 321 homes valued at \$400,000 would have to be constructed to generate a penny.

Below is a synopsis of the General Fund, Electric Fund and Telecommunications Fund as well as major investments in the Capital Improvement Plan (CIP).

General Fund

The General Fund, which supports all forward-facing services, equates for 51% of the total budget. The departments that make up the General Fund are Administration, Council, Police, Fire, Public Works, and Parks and Recreation.

Revenues

The State of North Carolina only allows municipalities to generate revenue through a few methods. This extremely hampers how a municipality can fund services and does not allow for out of the box thinking. In fact, several years ago the State took away a funding source, Business License Taxes, which cost the town several millions of dollars in funding sources. This put an even bigger burden on the few funding sources available.

The proposed tax rate will generate \$10.5 million in revenue for the town in Ad Valorem Taxes (Real Estate and Property Tax). Ad Valorem taxes make up 57% of our budget. This along with Sales Tax equates to 71% of the budget or just over \$14 million. Franchise and Miscellaneous Taxes make up the next largest revenue generators.

Pineville relies on businesses to make up 70% of our Ad Valorem Taxes. This is beneficial for residents when the economy is strong because it lowers the tax burden for residential properties, but an imbalance can cause problems during economic downturns. This is why having a better mix of businesses to residential units is better for the town and all citizens.

The proposed budget does not institute any new fees or increase fees to residents. Unlike many localities the town does not have a residential trash fee. Instead, Pineville pays for this out of the taxes we generate which spreads the burden to commercial properties as well. Trash service for residential units costs \$735,000 which equates to \$0.02 of the proposed tax rate.

Expenses

The backbone of any good organization is good employees. As with any organization, personnel expenses make up a large portion of expenses. In order to have a great community the Town must invest in our most important resource, which is our team members. Personnel expenses are 50% of the costs to operate the Town. Due to the area in which Pineville is located and the competitive market the proposed budget invests heavily in our team members. The proposed budget has an 8% COLA and up to a 3% merit-based increase for each employee. This investment is \$2.3 million more than last year. The increase in salaries equates to \$0.065 and personnel costs in general equates to \$0.1425 of the \$0.285 tax rate. Investing in employees is important and is the most valuable resource the town has.

Public Safety (Police and Fire) make up 48% of expenses. Public Works is next at 12% and debt for the new Town Hall and Library comes in third at 8%.

With the Town's investment in people other expenses in operations and capital have remained flat from last year. However, the Town is still able to meet goals and objectives set out by the Council as their Pillars.

Pineville receives about \$200,000 a year from the State of North Carolina to do street surface repair. Oftentimes this is not enough money to do all of the repairs that are needed so we have to prioritize projects as well as augment this money with general fund dollars. This year we have committed \$500,000 to improve Industrial Drive. Over the last 5 years the Town has made an effort to improve and pave all town owned streets identified as needed repairs in a study commissioned and we are glad to say that this will be the last street on the list.

This budget also is investing in a mobility plan that will provide the town with a blueprint of where to improve or build new sidewalks, where to create bike lanes, and investments in other multi-modal transportation that will enhance opportunities to connect all neighborhoods with economic centers and other attractions in town. The budget proposes to spend \$100,000 in FY24.

Besides public safety, providing great amenities for residents is probably the most significant investment a locality can make for citizens. The Town has a great Parks and Recreation program. Over the last two years the town has pushed for more programmed sports activities at our two parks. This initiative has been widely successful as spaces are used every day for some sort of activity. In fact, it has been so successful that the town is beginning to run out of space for activities. This past year we had to convert open space behind the baseball stadium into ad hoc soccer fields because of the growth. So, in this proposed budget there is \$60,000 to design an expansion of Jack Hughes Park to prepare for the future.

Town Council has been committed to the Arts scene for many years. This year is no different. Included is funding for the ASC, additional funding for Pineville Players, and increased involvement in bringing arts and cultural activities to the town throughout the year. These investments provide Pineville citizens with a wide array of quality-of-life activities that are necessary for a top-class municipality to provide.

Budget Pressures

Pineville has the benefit of being situated in a county that is seeing tremendous growth and opportunity. There are pressures in the current year and future years that the community will experience. Retention and pay are probably the largest pressures on the town's budget currently. Other pressures over the next 5 years are funding a new radio system for the Police Department (\$5 million), construction of a Fire Station (\$16 million), expanding parks and recreation facilities, and improving pedestrian safety on roadways. Staff will work with the Town Council to find appropriate ways to meet these budget pressures.

Given these pressures, the proposed budget has money allocated to engage a municipal fund advisor to provide guidance on how to leverage our fund balance over the next five (5) years to relieve pressure on ad valorem and other taxes.

Enterprise Funds

The Enterprise Funds of the Town of Pineville consists of the Electric Fund and the ILEC and CLEC Funds for the operation of Pineville Communication System (PCS). PCS is a locally owned internet and telephone company that serves areas of Pineville. These funds are self-sustaining meaning that no General Fund dollars are used to augment their operation. Revenues received through services are used to fund expenditures. The Electric Utility Fund equates to 39% (\$14,680,000) of the budget while PCS equates to 9% (\$3,289,892) of the budget.

Revenues

Electric. The Town owns and operates an electric distribution system, provides electric services to a portion of Pineville, and contracts with Electricities of NC to manage its daily operations. Participation in the North Carolina Municipal Power Agency #1 for decades has provided a consistent power source for our customers that is majority from nuclear power. Revenues for the Electric Fund are wholly generated by service to customers. Rates for the proposed FY24 Budget are not increased.

PCS. Revenues for PCS are derived from wired telephone service and internet. Currently PCS has 1150 residential and commercial customers with 93% of those customers being residential. The saturation of other internet providers in Pineville (5 other providers) makes it difficult to build revenue over the long term from new customers. Due to this PCS has been focusing on upgrading speed levels that customers choose to increase revenue, which has been working. This focus has increased the revenue line item by \$155,000.

The proposed budget does not have any fee increases for customers.

Expenses

Electric. The largest expense in the Electric Fund is the cost of power that we purchase from the Catawba Nuclear Power Plant. This expense is just over \$8 million dollars. The Town is working with NCMPA1 on a plan that could significantly reduce our cost of power over the next ten (10) years.

Capital Improvements are the second leading expense in the Electric Fund and play a large role. This year we are proposing to spend \$3.1 on CIP-related expenses. These investments are for the new growth in neighborhoods that have been approved as well as undergrounding some electric lines for beautification and reliability.

The third leading expense in this fund is personnel costs. Just as in the General Fund these costs have seen a dramatic increase over the last several years as we try to compete with private companies such as Duke for qualified staff as well as local contractors. The cost for personnel services is \$1.7 million.

PCS. The leading expense for PCS is capital projects. This is due to the new developments going in as well as trying to convert our copper infrastructure to fiber to become more competitive. The fund is anticipating spending \$669,000 on capital projects.

The second leading expense is personnel related. The team members who work for PCS are a critical part of the operation. They provide excellent customer service to customers and are the reason why this enterprise fund has done as well as they have. Investments in these employees through an 8% COLA and up to a 3% merit increase is worth the expense and they deserve this for their hard work.

PCS generates enough revenue to pay for operational and maintenance costs. However, when you factor in capital costs the enterprise must routinely pull from fund balances. This is not a sustainable long-term strategy for PCS.

Budget Pressures

Electric. Due to the growth of Pineville and the energy requirements of industries going into the Carolina Logistics Park a new substation will need to be built that will cost about \$5.5 million. The town will also have to secure land for the substation. Another capital project will be the construction of a new building that is estimated to cost around \$11.5 million. This will allow the town to consolidate a lot of the different storage areas that Electric currently uses into one space.

To create a plan and map out how to pay for these future projects the proposed budget has a rate study planned for the upcoming fiscal year. Much like the study planned for the General Fund this will allow the town to determine how to best leverage fund balances and costs for services moving forward in a coherent and thoughtful manner.

PCS. As stated previously the largest pressure for PCS comes from the saturation of this area with competition. Most customers view internet service as a commodity and look for the cheapest option. This makes it hard for PCS to compete with national carriers and is why customer service plays such a key role in the operation.

Building out the infrastructure is also a pressure because of the cost. If PCS did not have to build out infrastructure into new neighborhoods revenues would cover operational and maintenance expenses.

Closing Remarks

In 2022 Town Council set six Pillars to guide them and the town's spending over the next two years. For the FY24 Budget staff have worked hard to craft the budget around these Pillars. Each one of these Pillars is reflected in the proposed FY24 Budget. Those Pillars are:

1. Arts and Cultural Resources
2. Economic Development and Innovation
3. Growth and Natural Resources
4. Organizational Excellence
5. Safe, Vibrant, and Healthy Community
6. Transportation and Transit

Finally, I would like to thank each of the Department Managers, as they have been an integral part of the budget development process. Each department manager really looked at their respective budgets and presented to me items that were necessary for the daily operation of their department. I would also like to thank our Finance Director, Mr. Christopher Tucker, for his assistance with the creation of the proposed budget. Christopher works hard on putting the information together and getting all of the changes positioned into the document and took a very active role this year in production of the FY24 Budget.

I would also like to thank each of the Town Council members for their direction and insight into how they envision both the short and long-term future of the Town. Your knowledge and input has been a tremendous resource for us as we worked through the development of the proposed budget. We are excited about the new details provided in this budget, and we feel confident that the Town is taking steps forward and improving upon what is truly a great place to live, work, and play.

Respectfully,

Ryan Spitzer
Town Manager
Town of Pineville

ORDINANCE NO. _____

TOWN OF PINEVILLE, NORTH CAROLINA
FISCAL YEAR 2023-2024 BUDGET ORDINANCE

BE IT ORDAINED by the Town Board of Pineville, North Carolina:

Section One. The following amounts are hereby appropriated in the General Fund at the function level for the operation of the town government and its activities for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

General Government	\$ 2,800,974
Public Safety	9,518,307
Public Works - Transportation	1,752,080
Public Works - Environmental Protection	1,036,752
Recreation - Admin / Parks	670,117
Recreation - Tourism	1,421,735
Debt Service	1,842,035
Contingency	200,000
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TOTAL GENERAL FUND APPROPRIATIONS	<u><u>\$ 19,242,000</u></u>

Section Two. It is estimated that the following revenues will be available in the General Fund for fiscal year beginning July 1, 2023 and ending June 30, 2024:

Ad Valorem Taxes - Property	\$10,527,000
Ad Valorem Taxes - DMV	365,000
Payment in Lieu of Taxes	40,000
Powell Bill	260,000
Franchise Taxes	1,000,000
Local Option Sales Tax	3,071,000
Stormwater Fees	450,000
Occupancy Tax	300,000
Prepared Food and Beverage Tax	800,000
U Drive It Tax	300,000
Miscellaneous Revenue	2,029,000
Transfers from Other Funds	-
Investment Earnings	100,000
Fund Balance Appropriated	-
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TOTAL GENERAL FUND REVENUES	<u><u>\$19,242,000</u></u>

Section Three. The following amounts are hereby appropriated at the fund level in the Emergency Telephone System Fund for the operation of the emergency telephone operations for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

Emergency System Operations and Capital Outlay	\$ 200,000
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Section Four. It is estimated that the following revenues will be available in the Emergency Telephone System Fund for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

Fund Balance Appropriated	\$ 200,000
Investment Earnings	-
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	\$ 200,000
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Section Five. The following amounts are hereby appropriated at the fund level in the Electric Fund for the operation of the electric utility for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

Electric Operations and Capital Outlay	<hr/> <hr/>
	\$ 14,680,000

Section Six. It is estimated that the following revenues will be available in the Electric Fund for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

Electric Usage Charges	\$ 14,552,000
Investment Earnings	92,000
Other Revenues	36,000
Fund Balance Appropriated	-
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TOTAL ELECTRIC FUND REVENUES	\$ 14,680,000
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Section Seven. The following amounts are hereby appropriated in the ILEC Telephone Fund for the operation of the telephone utility for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

ILEC Telephone Operations and Capital Outlay	\$ 1,219,640
Transfer to Other Funds	438,626
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	\$ 1,658,266
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Section Eight. It is estimated that the following revenues will be available in the ILEC Telephone Fund for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

ILEC Charges	\$ 1,157,100
Investment Earnings	-
Fund Balance Appropriated	501,166
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TOTAL ILEC TELEPHONE FUND REVENUES	\$ 1,658,266
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Section Nine. The following amounts are hereby appropriated in the CLEC Telephone Fund for the operation of the telephone utility for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

CLEC Telephone Operations and Capital Outlay	\$ 1,631,626
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Section Ten. It is estimated that the following revenues will be available in the CLEC Telephone Fund for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

CLEC Charges	\$ 1,193,000
Transfer from Other Funds	438,626
TOTAL CLEC TELEPHONE FUND REVENUES	\$ 1,631,626

Section Eleven. The following amounts are hereby appropriated in the Rate Stabilization Fund for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

Rate Stabilization	\$ -
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Section Twelve. It is estimated that the following revenues will be available in the Rate Stablization Fund for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

Fund Balance Appropriated	\$ -
Investment Earnings	-
	\$ -

Section Thirteen. There is hereby levied a tax at the rate of twenty eight and 1/2 cents (\$0.285) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2023 for the purpose of raising the Ad Valorem Tax revenue listed in the General Fund in Section 2 of this ordinance. This revenue is based on a total valuation of property for the purposes of taxation of \$3,731,036,967 and an estimated rate of collection of 99.0%.

TOTAL TAX RATE PER ONE HUNDRED DOLLARS (\$100) APPRAISED VALUATION FOR GENERAL FUND	\$ 0.2850
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Revenue Neutral: In property reevaluation years, North Carolina General Statute 159-11 requires each taxing unit to publish the tax rate that would bring forth the same revenues from the newly valued tax base. The revenue-neutral tax rate would be:

REVENUE-NEUTRAL TAX RATE PER ONE HUNDRED DOLLARS (\$100) APPRAISED VALUATION FOR GENERAL FUND	\$ 0.2450
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Section Fourteen. The fees, rates and charges as shown in Attachment A are amended effective as of July 1, 2023 for the purpose of billing and raising revenues as set forth in the foregoing estimates of revenues, and in order to finance the foregoing appropriations.

Section Fifteen. The Budget Officer and/or Finance Director are hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. Amounts may be transferred between line-item expenditures within a function without limitation or notification. These changes should not result in increases in recurring obligations such as salaries.
- b. Amounts up to \$50,000 may be transferred between functions, including contingency appropriations, within the same fund. An official report on such transfers must be made at the next regular meeting of the Governing Board.
- c. Amounts may not be transferred between funds, except as approved by the Governing Board in the Budget Ordinance as amended

Section Sixteen. Copies of this Budget Ordinance shall be furnished to the Clerk to the Governing Board and to the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Adopted this 13th day of June, 2023.

Mayor John Edwards

Attest:

Town Clerk Lisa Snyder



**Attachment A – Fee Schedule
Effective July 1, 2023**

ADMINISTRATION

Notary – \$3
Audio/Information on available media – \$5
Returned Check – \$35

PLANNING AND LAND DEVELOPMENT

Sign Permit – \$40
Zoning Verification – \$100
Plotted Maps – \$40
Standard Maps (printed from regular printer) – \$3
Subdivision Ordinance – 50 pages, \$7.50
Zoning Ordinance – 234 pages, \$38
Overlay District (color) – 60 pages, \$30
Returned Check- \$35

Subdivisions:

Preliminary Plan Residential (Major) – \$500
Preliminary Plan Residential (Minor) – \$150
Preliminary Plan Commercial, Mixed-Use, and All Other – \$500
Lot Recombination – \$50

Final Plats:

Final Residential Subdivision Plat \$250
Final Plat All Others – \$250
Revisions to Final Plats – \$100

Variances and Appeals:

Variance or Appeals – \$500

Rezoning and Conditional Uses:

Rezoning, Conditional Zoning Plans, and Conditional Plan Amendments - \$1,000

Text Amendments:

Text Amendments to Town Ordinances - \$500

Attachment A – Fee Schedule
Effective July 1, 2023

Site Plan Review:

Sketch Plan Review - \$0

Class I All Individual Residential Permits (where required) such as accessory structures, additions, etc. – \$30

Class II Accessory Non-Residential Permits (where required) such as ATM's, dumpsters, walls, fences, etc. - \$75

Class III parking lots, façade modifications, canopies, change of uses, and expansions up to 5,000 sq ft. - \$100

Class IV Construction and Expansion from 5,000 to 30,000 sq ft. - \$200

Class V Construction, Expansion, and Similar over 30,000 sq ft. - \$500

Re-Review Fee (3rd and subsequent reviews) – \$50/hour

UTILITIES**Deposits:**

Residential (Rental only) - Electric: \$125 / Telephone: \$60 per line

Commercial - Electric: \$400 / Telephone: \$60 per line

Restaurant/Lounge - Electric: \$1,000 / Telephone: \$60 per line

Reconnect Fees:

Residential - Electric: \$50 / Telephone: \$10 / Internet: \$50

Commercial - Electric: \$200 / Telephone: \$10 / Internet: \$50

Meter Tampering- \$150

Returned Check- \$35

Pineville Communication Systems:

Residential Phone Line – \$28.06 (does not include tax, toll, features or long distance)

Commercial Line Rates – \$38.53 (Single - not including tax, toll, features or long distance)

Residential Broadband Packages –

50 MBps - \$45.95

100 MBps - \$55.95

200 MBps - \$75.95

300 MBps - \$92.95

1 GBps - \$105.95

Commercial Broadband Packages –

50 MBps - \$100.95

100 MBps - \$125.95

200 MBps - \$165.95

300 MBps - \$200.95

1 GBps - \$299.95

**Attachment A – Fee Schedule
Effective July 1, 2023**

POLICE

Audio/Information on available media – \$5
 Fingerprinting – \$15 per card
 Commercial Vehicle Permit - \$25 per day Monday-Friday / \$50 Saturday
 Golf Cart Permit - \$25
 Returned Check- \$35
 Gold Exchange Permit: Fingerprinting per Employee - \$40
 False Alarms - 1st & 2nd – No Charge 3rd & 4th - \$50 per
 5th and up - \$100 per

PARKS AND RECREATION

The Hut Rental Fees (All rentals require a \$100 refundable deposit):

Wedding Package -	Resident - \$1000	With Backyard - \$1100
	Non-Resident - \$1200	With Backyard - \$1400
Weekday Rentals -	Resident - \$350	
	Non-Resident - \$550	
Weekend Rentals -	Resident – 5 Hrs - \$450	8 Hrs - \$600
	Extra Hour - \$50	Backyard - \$150
	Non-Resident- 5 Hrs - \$650	8 Hrs - \$800
	Extra Hour - \$75	Backyard - \$250

Audio / Video Rentals:

Screen Only - \$50
 Microphone Only - \$50
 All A/V Equipment - \$250

Belle Johnson Community Center Rental Fees (All rentals require a \$50 refundable deposit):

Dining Room (Monday-Thursday) (Residents Only) - \$15 per hour
 Dining Room & Kitchen – Resident - \$25 per hour Non-Resident - \$50 per hour

Gym Rentals:

Resident - \$25 per hour Non-Resident - \$35 per hour For-Profit: \$50 per hour
 Guest Fee Open Gym - \$5 per day

Shelter Rentals:

Small Shelters (Jack Hughes Park and Lake Park)

Weekday Rental (M-TH) –	Resident –	Half Day - \$10	All Day - \$20
	Non-Resident –	Half Day - \$40	All Day - \$80
Weekend Rental (F-Sun) –	Resident –	Half Day - \$25	All Day - \$50
	Non-Resident –	Half Day - \$60	All Day - \$120

Attachment A – Fee Schedule
Effective July 1, 2023

Medium Shelter (Lake Park)

Weekday Rental (M-TH) –	Resident –	Half Day - \$15	All Day - \$30
	Non-Resident –	Half Day - \$55	All Day - \$110
Weekend Rental (F-Sun) –	Resident –	Half Day - \$25	All Day - \$50
	Non-Resident –	Half Day - \$75	All Day - \$125

Large Shelter (Lake Park)

Weekday Rental (M-TH) –	Resident –	Half Day - \$25	All Day - \$50
	Non-Resident –	Half Day - \$75	All Day - \$150
Weekend Rental (F-Sun) –	Resident –	Half Day - \$40	All Day - \$60
	Non-Resident –	Half Day - \$100	All Day - \$175

Outdoor Stage (Lake Park) \$50 per hour

Summer Camp Fees:

First Child	Resident - \$80 per week	Non-Resident - \$100 per week
Second Child	Resident - \$70 per week	Non-Resident - \$90 per week

After Camp Fees:

Any Child	Resident - \$30 per week	Non-Resident - \$40 per week
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Other Recreation Programs not listed:

Some program fees are based on the number of participants or set by the outside instructor.

Fall Fest:

Arts and Crafts	(10 X 10) -	Resident - \$50	Non-Resident - \$100
	(10 X 20) -	Resident - \$100	Non-Resident - \$175
Business Vendors	(10 X 10) -	\$150	
	(10 X 20) -	\$300	
Non-Profit	(10 X 10) -	Resident - \$50	Non-Resident - \$100
	(10 X 20) -	Resident - \$100	Non-Resident - \$125

Food Tent / Cart -	(10 X 10) -	Resident - \$150	Non-Resident - \$300
	(10 X 20) -	Resident - \$175	Non-Resident - \$350
Food Truck / Trailer -		Resident - \$350	Non-Resident - \$375

Arts in the Park:

Arts and Crafts (10 X 10) -	Resident - \$25	Non-Resident - \$50
Food Truck / Trailer -	Resident - \$100	Non-Resident - \$100

**Attachment A – Fee Schedule
Effective July 1, 2023**

Jack Hughes Park Fields:

Field Rentals

Fields 1-4 –	Resident –	\$16 / Hr.
	Non-Resident –	\$24 / Hr.
Stadium –	Resident –	\$25 / Hr.
	Non-Resident –	\$45 / Hr.
Field 3 / Multipurpose –	Resident –	\$20 / Hr.
	Non-Resident –	\$35 / Hr.
Lights –	Resident –	\$20 / Hr.
	Non-Resident –	\$30 / Hr.
Field Preps –	Baseball Field Prep	\$40
	Multipurpose field Prep	\$45 / Half \$60 / Full
Gate / Parking Fees	Flat Rate \$250 / Weekend	
Race Permit -	\$200	

RENEWABLE ENERGY PORTFOLIO STANDARDS (REPS) CHARGE

APPLICABILITY:

The Renewable Energy Portfolio Standards Charge set forth in this Rider is applicable to all customer accounts receiving electric service from the Town of Huntersville (“Town”), except as provided below. These charges are collected for the expressed purpose of enabling the Town to meet its Renewable Energy Portfolio Standards compliance obligations as required by the North Carolina General Assembly in its Senate Bill 3 ratified on August 2, 2007.

MONTHLY RATE:

Monthly electric charges for each customer account computed under the Town’s applicable electric rate schedule will be increased by an amount determined by the table below:

	<u>Monthly Rates</u>		
	<u>Renewable</u>	<u>DSM/Energy</u>	<u>Total REPS</u>
<u>DEFINITIONS:</u>	<u>Efficiency</u>	<u>Charge</u>	
Residential Account	\$ 0.84	\$ 0.00	\$ 0.84
Commercial Account	\$ 4.58	\$ 0.00	\$ 4.58
Industrial Account	\$ 47.20	\$ 0.00	\$ 47.20

ELIGIBILITY REQUIREMENTS:

Industrial and Commercial Customer Opt-out: All industrial customers, regardless of size, and large commercial customers with usage greater than one million kWh’s per year can elect not to participate in Town’s demand-side management and energy efficiency measures in favor of its own implemented demand-side management and energy efficiency measures by giving appropriate written notice to the Town. In the event such customers “opt- out” they are not subject to the DSM/Energy Efficiency portion of the charges above. All customers are subject to the Renewable Resources portion of the charges above.

AUXILIARY SERVICE ACCOUNTS:

The following service schedules will not be considered accounts because of the low energy use associated with them and the near certainty that customers served under these schedules already will pay a per account charge under another residential, commercial, or industrial service schedule:

- Schedule AL and FL – Outdoor Lighting Service (metered and unmetered)
- Schedule AL and FL – Street and Public Lighting Service
- Schedule TS – Traffic Signal Service

SALES TAX: Current North Carolina utilities sales tax shall be added to the above charges.

Effective for service rendered after July 1, 2023.

Town of Pineville
FY24 Electric Rate Recommendations Summary

Recommended By: David Lucore, Electric Systems Manager

Date: April 21, 2023

Schedule 11 – Residential Service:	No Change
Schedule 12 – Residential Service – All Electric:	No Change
Schedule 13 – Small Commercial Service:	No Change
Schedule 14 – Medium Commercial Service:	No Change
Schedule 15 – Large Commercial Service:	No Change
Schedule 16 – Very Large Commercial Service:	No Change
Schedule 17 – 3,000 kW+ Commercial Service:	No Change
Schedule 18 – Outdoor Lighting Service:	No Change
Schedule LM – Load Management Rider:	No Change
Schedule REPS – Renewable Energy Portfolio Standards (REPS) Charge:	

	<u>FY23</u>	<u>FY24</u>
Residential	\$0.85	\$0.84
Commercial	\$4.65	\$4.58
Industrial	\$47.92	\$47.20
Electric Rate Rider RECR-1 – Renewable Energy Credit Rider:		
	<u>FY23</u>	<u>FY24</u>
On-Peak Energy	\$0.0321	\$0.04041
Off-Peak Energy	\$0.0110	\$0.01366

Add Economic Development Rider - EDR1:

The Economic Development Rider will provide discounted electric rates to new electric customers who meet the qualifications of the Rider. The Rider is attached to the next page.

Town of Pineville
ECONOMIC DEVELOPMENT RIDER
Electric Rate Rider-EDR1

AVAILABILITY

This rider is available only to new commercial or industrial loads which begin receiving service after July 1, 2019 and is available in conjunction with service under any of the Town's commercial or industrial electric rate schedules. The demand of the new load must equal or exceed 300 kW during at least three months of a twelve-month period, and the energy usage shall equal at least a 50% load factor during one month each calendar year.

Any customer desiring to receive service under this rider shall provide written notification to the Town of such desire. Such notice shall provide the Town with information concerning the load to be served and the Customer's facilities and shall provide the basis that the characteristics of the load will meet the minimum eligibility requirements of the electric rate schedule to which this rider applies.

All terms and conditions of the electric rate schedule applicable to the Customer shall apply to service supplied to the Customer except as modified by this Rider.

MONTHLY CREDIT

The Customer will receive a Monthly Credit on the bill calculated on the then-effective electric rate, whichever is applicable to the Customer. The schedule of Monthly Credits will be calculated as described below under the heading "Application of Credit".

APPLICATION OF CREDIT

Beginning with the date of which service under the then-effective electric rate is to commence for the eligible load, a Monthly Credit based on the following schedule will be applied to the total bill, including Basic Facilities Charge, Demand Charges, Energy Charges, Purchased Power Adjustment, or Minimum Bill, excluding other applicable riders and special charges, if any.

<u>PERIOD</u>	<u>DISCOUNT</u>
Months 1-12	30%
Months 13-24	20%
Months 25-36	10%
Months 37-48	5%

CONTRACT PERIOD

Prior to receiving service under this rider, the Customer must complete a service agreement to purchase electricity from the Town. The contract will terminate at the end of 48 months after commencing.

EFFECTIVE DATE

The rider shall be effective for qualifying customers receiving permanent electrical service after July 1, 2019.

**Town of Pineville
Renewable Energy Credit Rider
Electric Rate Rider RECR-1**

AVAILABILITY

This optional rate rider is applicable to customers who had systems installed before July 1, 2023 on any Town of Pineville rate schedule who operate solar photovoltaic, wind powered, or biomass-fueled generating systems, with or without battery storage, located and utilized at the customer's primary residence or business. To qualify for this rate rider, the customer must have complied with the Town's Interconnection Standards and have an approved Interconnection Request Form. As part of the Interconnection Request Form approval process, the Town retains the right to limit the number and size of renewable energy generating systems installed on the Town's System. The generating system that is in parallel operation with service from the Town and located on the customer's premises must be manufactured, installed, and operated in accordance with all governmental and industry standards, in accordance with all requirements of the local code official, and fully conform with the Town's applicable renewable energy interconnection interface criteria. Qualified customers must be generating energy for purposes of a "buy-all/sell-all" arrangement to receive credits under this rate rider. That is, the Town agrees to buy all and the customer agrees to sell all of the energy output and associated energy from the renewable energy resource. Customers with qualified systems may also apply for NC GreenPower credits or sell Renewable Energy Certificate ("REC") credits.

All qualifying facilities have the option to sell energy to the Town on an "as available" basis and receive energy credits based on the Variable Rates identified in this Rider for the delivered energy.

MONTHLY CREDIT

Avoided Cost Credit Rate** (\$ per kWh):

	<u>Variable</u>
On-peak energy*	\$0.04041
Off-peak energy	\$0.01366

* These energy credits include a capacity component.

**For generation equal to or less than 20 kW the on-peak energy avoided cost credit rate can be applied to all hours.

MONTHLY ENERGY

Monthly Energy shall be the kWh of energy produced by the generating facility and exported to the utility during the current calendar month.

ON-PEAK ENERGY

On-Peak Energy shall be the metered energy during the On-Peak Energy Period of the current calendar month, whereby the On-Peak Energy Period is defined as non-holiday weekdays from 7:00 AM to 11:00 PM EPT.

OFF-PEAK ENERGY

Off-Peak Energy shall be the Monthly Energy less the amount of energy billed as On-Peak Energy.

CONTRACT PERIOD

Prior to receiving service under this Rider, the Town and the customer shall have entered either an Interconnection Agreement or executed a Certificate of Completion (inverter-based generators less than 20 kW) and a Power Purchase Agreement which covers the special terms and conditions for the customer's requirements related to the interconnection of the customer's renewable energy generating system.

Each of these agreements shall have a minimum term of one (1) year. Either party may terminate the agreements after one year by giving at least thirty (30) days previous notice of such termination in writing.

GENERAL

Service under this Rider is subject to the provisions of the Service Regulations of the Town contained in the Town Code of Ordinances.

SPECIAL CONDITIONS

The customer's service shall be metered with two meters, one of which measures all energy provided by the Town and used by the customer, and the other measures the amount of energy generated by the customer's renewable energy generator which is provided to the Town.

In the event that the Town determines that it is necessary to install any additional equipment to protect the safety and adequacy of electric service provided to other customers, the customer shall pay for the cost of such equipment in accordance with the terms of its Power Purchase Agreement.

Effective July 1, 2023.