

**CITY OF NEW BERN
BOARD OF ALDERMEN SPECIAL MEETING
APRIL 11, 2018 – 12:00 NOON
CITY HALL COURTROOM
300 POLLOCK STREET**

1. Discussion of Redevelopment Commission
2. Discussion of Utility Deposits
3. Adjourn

INITIAL STEPS TO CREATE REDEVELOPMENT COMMISSION

- I. Publish Notice of Intent to Consider Passage of Ordinance to Create RC (Public Hearing Recommended)
 - Must be noticed at least 10 days prior to the meeting
 - Public hearing not specified, but recommended
 - G.S. § 160A-504(a)
- II. Consider and Adopt Ordinance to Create Redevelopment Commission
 - Ordinance to contain required findings (See Section 1 of draft ordinance)
 - G.S. § 160A-504(b)
- III. File Certified Copy of Ordinance with NC Secretary of State
 - G.S. § 160A-504(c)
- IV. Once Ordinance is Filed with NC Secretary of State, Consider and Adopt Resolution to Appoint Members to Redevelopment Commission with Corresponding Terms
 - G.S. § 160A-508 and G.S. § 160A-509
- V. Consider and Adopt Resolution to Recommend Redevelopment Area to Redevelopment Commission and Planning Commission (OPTIONAL and non-binding)
 - G.S. § 160A-502(16) and G.S. § 160A-512(1)

SUBSEQUENT STEPS INCLUDE PLANNING COMMISSION CERTIFYING REDEVELOPMENT AREAS AND REDEVELOPMENT COMMISSION PREPARING REDEVELOPMENT PLAN

DRAFT

AN ORDINANCE CREATING THE REDEVELOPMENT COMMISSION OF THE CITY OF NEW BERN

THAT WHEREAS, the Board of Aldermen of the City of New Bern, at its May 8, 2018, meeting, determined that blighted areas as defined by North Carolina General Statute Section 160A-503 exist within the territorial limits of the City of New Bern; and

WHEREAS, notice of the intent of the Board of Aldermen of the City of New Bern to consider the passage of an ordinance creating a redevelopment commission and to hold a public hearing on said ordinance was published in the *Sun Journal* on April __, 2018; and

WHEREAS, a public hearing was held to consider the adoption of an ordinance creating a redevelopment commission at the May 8, 2018 regular meeting of the Board of Aldermen of the City of New Bern and all persons were given an opportunity to be heard; and

WHEREAS, North Carolina General Statute Section 160A-504 authorizes the Board of Aldermen of the City of New Bern to adopt an ordinance to create a redevelopment commission to function within the territorial limits of the City of New Bern.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF NEW BERN, NORTH CAROLINA, AS FOLLOWS:

Section 1. Required Findings. It is hereby found and determined that: (1) blighted areas as defined by North Carolina General Statute Section 160A-503 exist within the territorial limits of the City of New Bern; and (2) the redevelopment of the blighted areas within the territorial limits of the City of New Bern is necessary and in the interest of the public health, safety, morals or welfare of the residents of the City of New Bern.

Section 2. Creation. There is hereby created the Redevelopment Commission of the City of New Bern to function within the territorial limits of the City of New Bern in accordance with the provisions of Article 22 of Chapter 160A of the North Carolina General Statutes.

Section 3. Members - Number. The Redevelopment Commission of the City of New Bern shall consist of _____ () members, all of whom shall be residents of the City of New Bern. Each member shall be appointed by the Board of Aldermen of the City of New Bern. The Board of Aldermen of the City of New Bern may at any time, by resolution or ordinance, increase or decrease the membership of the Redevelopment Commission of the City of New Bern, within the limitations prescribed by North Carolina General Statute Section 160A-508.

Options

5 – 9 members

Must be citizens of New Bern

May be elected officials – ex officio members (no term)

May limit # of terms

DRAFT

Section 4. Members -Terms of Office. Members of the Redevelopment Commission of the City of New Bern shall serve staggered terms with each term being five (5) years. For the initial Redevelopment Commission of the City of New Bern, ___ member shall have an initial term of five years, ___ member shall have an initial term of four years, ___ member shall have an initial term of three years, ___ member shall have an initial term of two years, and ___ member shall have an initial term of one year. A member shall hold office until his successor has been appointed and qualified.

Options (Don't have to be staggered terms)

2 members serve 1 year	1 member serves 1 year	OR ANY OTHER COMBINATION
2 members serve 2 years	2 members serve 2 years	
2 members serve 3 years	2 members serve 3 years	
2 members serve 4 years	2 members serve 4 years	
1 member serves 5 years	2 members serve 5 years	

Section 5. Organization. The members of the Redevelopment Commission of New Bern shall select from among themselves a chairman, a vice-chairman, and such other officers as the Redevelopment Commission of the City of New Bern may determine. A majority of the members of the Redevelopment Commission of New Bern shall constitute a quorum for its meetings.

Section 6. Powers. The Redevelopment Commission of the City of New Bern shall have the powers of a redevelopment commission as set forth in Article 22 of Chapter 160A of the North Carolina General Statutes.

Section 7. Budgeting and Accounting Systems. The Board of Aldermen of the City of New Bern may by resolution provide that the budgeting and accounting systems of the Redevelopment Commission of the City of New Bern shall be an integral part of the budgeting and accounting systems of the City of New Bern.

Section 8. This ordinance shall be effective from and after the date of its adoption.

ADOPTED THIS 8th DAY OF MAY, 2018.

DANA E. OUTLAW, MAYOR

BRENDA E. BLANCO, CITY CLERK



Utility Deposit Overview

J.R. Sabatelli, CPA, Director of Finance

Topics

- 2013 Organization Check Up (OCU) and Results
- Changes in Fiscal Year 15
- Deposit Requirements and Activity
- Trends
- 2015 OCU and Results
- Current and Future Programs

Organization Check Up (OCU)

- Finalized in January 2013
- Prepared by Hometown Connections
 - A Subsidiary of the American Public Power Association (APPA)
- A review of electric utility operations
 - Areas include customer service, outreach and communications, programs, power supply and distribution operations, safety, governance, strategic planning, rates, technology, and administration

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2013 OCU Results

- Concerns over Financial Risk: Pay arrangements and Bad Debt/Write-offs

Observations and Findings

Customer Service

The overall objective of good customer service is to meet or exceed customer needs and expectations.

These can be measured in a number of ways:

- Customer satisfaction (service, complaints)
- Billing and payment options and performance
- Bad debt (collections) ratios



New Bern gets good marks for customer service with some concerns by Hometown Connections staff about the highly customized services that many customers are receiving and the financial risks posed by these practices.

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2013 OCU Results-Pay Arrangements

Staff handles 1,200-1,500 payment arrangements each month, very labor intensive

- “A majority of customers are only one bill behind, paying the arrears bill when the next bill is due, yet many customers remain in this pay arrangement cycle indefinitely.” **Hometown Connections – January 2013**
- “...the reality is that this is a risky practice that leave the utility open to significant defaults. Hometown Connections would strongly encourage utility and city staff to reframe current payment policies in such a way that significantly fewer customers are on extended payment plans for the utility.” **Hometown Connections – January 2013**

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Payment Arrangement Comparison

- 2013 & prior – Find a way to say “yes” to payment arrangements

Pay Arrangements Per Year

Rocky Mount	New Bern	High Point	Greenville	Kinston	Wilson	Washington
Unlimited	12 or more	Unlimited (2 bills max)	1	3 per year	No	2



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2013 OCU Results - Fees

- 2.5% late penalty and \$30 delinquent fee
- Reconnect fee of \$75 or \$150 only for outside regular business hours
- "We would encourage New Bern to assess periodically the costs of delinquency and termination activities (labor, fuel, depreciation, etc.) to ensure the rest of the customer base is not subsidizing the additional costs incurred by delinquent customers." **Hometown Connections – January 2013**

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2013 OCU Results - Deposits

- "Security deposits are common among public power. In the most recent APPA survey of members, 88% of respondents require a security deposit for residential customers. A security deposit can be an effective tool for protecting the utility from customers leaving the system without making final payments on utility bills." **Hometown Connections – January 2013**
- "Overall, New Bern's customer service procedures, policies and processes are good when followed. New Bern's challenge is in the area of discipline in following its own policy." **Hometown Connections – January 2013**

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Credit Risk Exposure Timeline

July 1, 2016	First day of service Month #1
July 31, 2016	Last day of service Month #1
August 1, 2016	First day of service Month #2
August 5, 2016	Invoice billed and mailed to customer Mo #1
August 25, 2016	Payment Due for Month #1
August 26, 2016	Late Penalty Assessed Month #1
August 31, 2016	Last day of service Month #2
September 1, 2016	First day of service Month #3
September 5, 2016	Inv. Billed/mailed to customer Mo. #2 w/ delinquent notice/penalty
September 16, 2016	Disconnect Eligible for Month #1

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Credit Risk Exposure Timeline

77 Total Days from First day of service Month #1 to Disconnect Eligible for Month #1

60 Estimated Days deposit on hand for 2 highest bills combined

17 Estimated days lost on poor credit customer

Note: Add 30 days if a payment arrangement is set up.

\$ 213.00	Approx. Average Monthly Bill
\$ 7.00	Average Daily Amount
\$ 539.21	Estimated Average Full Exposure

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Financial Risk Mitigation

Multifaceted approach based on practices in line with other utilities and adherence to existing

A graphic titled 'Financial Risk Mitigation' showing three categories of risk mitigation: Payment Arrangements, Surety Deposits, and Delinquency. Each category has a green checkmark icon and a list of bullet points. A green star on the right side of the graphic contains the text 'Business Practice Update Options'.

- PAYMENT ARRANGEMENTS**
 - 4 Arrangements Per Year
 - Credit Limit Ceiling
- SURETY DEPOSITS**
 - 2 highest bills equivalent held for 18 months
- DELINQUENCY**
 - Deposit charged and due on next bill for delinquent events
 - Extra cut off notice only for Excellent Credit & Medical Alert

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Options Provided

Board of Aldermen selected option 2 at a budget work session in May 2014

- ① Implement Credit Exposure Risk Initiatives in FY 2015
- ② Phase in Credit Exposure Risk Initiatives FY 2015 through FY 2019 ✓
- ③ Maintain Current Model in FY 2015 & Revisit as Pre-pay Solution Deploys

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Deposit Changes

- Calculation Method:
 - Regular Deposit - 2 highest bills of previous 24 months
 - Load Management Deposit – twice the average bill over previous 12 months
- Held for 18 months instead of 12
- Policy enforced – no longer a culture of “finding a way to say yes”

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Changes in FY15

FEE	PRIOR FY15	FY 15 & FWD
CONNECT & TRANSFER FEE LATE, HOLIDAY, WEEKENDS	\$75 After <u>2 PM</u>	\$75 After <u>11 AM</u>
DELINQUENT FEE	\$30 DOOR HANGERS <u>HAND DELIVERED</u> FOR GOOD CREDIT CUSTOMERS	\$30 DOOR HANGERS <u>MAIL DELIVERED</u> FOR GOOD CREDIT CUSTOMERS
RESIDENTIAL DEPOSIT	2 X AVERAGE BILL IN LAST 12 MONTHS refund at month 12 for excellent payment history	TOTAL OF 2 HIGHEST BILLS IN LAST 24 MO. refund at month 18 for excellent payment history

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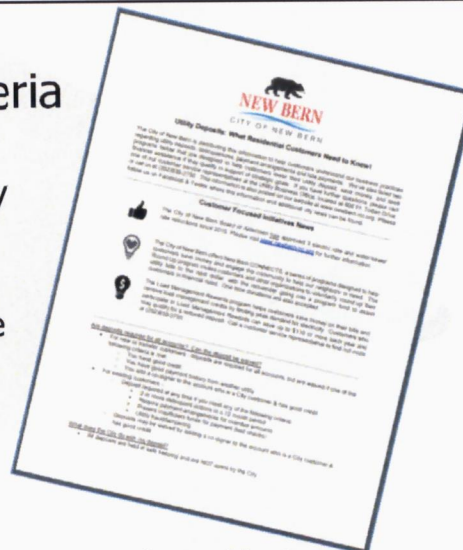
Changes in FY15

FEE	PRIOR FY 15	FY 15 & FWD
COMMERCIAL DEPOSIT	2 X AVERAGE BILL IN LAST 12 MONTHS refund at month 60 for excellent payment history	TOTAL OF 2 HIGHEST BILLS IN LAST 24 MO. refund at month 60 for excellent payment history
LATE PENALTY	2.5%	5%
METER TEST	\$10	\$75 UPFRONT FOR METERS 5 YEARS OR NEWER
DELINQUENCY RECONNECT	\$0	\$25

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Deposit Decision Criteria

- Brochure mailed annually
 - available online
 - at Utility Business Office
 - communicated by staff



Information distributed to help customers understand business practices regarding utility deposits, delinquencies, payment arrangements and late payments.

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Utility Deposits: What Residential Customers Need to Know!

The City of New Bern is distributing this information to help customers understand our business practices regarding utility deposits, delinquencies, payment arrangements and late payments. We've also listed two programs below that are designed to help customers lower their utility deposit, save money, and seek financial assistance if they qualify in support of strategic goals. If you have further questions, please visit one of our customer service representatives at the Utility Business Office, located at 606 Ft. Totten Drive, or call us at (252)636-2750. This information is also posted on our website at www.newbern-nc.org. Please follow us on Facebook & Twitter where this information and additional city news can be found.

Customer Focused Initiatives News

The City of New Bern Board of Aldermen has approved 3 electric rate and water/sewer rate reductions since 2015. Please visit www.newbern-nc.org for further information.

The City of New Bern offers New Bern CONNECTS, a series of programs designed to help customers save money and engage the community to help our neighbors in need. The Round Up program invites customers and other organizations to voluntarily "round up" their utility bills to the next dollar, with the remainder going into a program fund to assist customers in financial need. One time donations are also accepted.

The Load Management Rewards program helps customers save money on their bills and receive load management credits by limiting peak demand for electricity. Customers who participate in Load Management Rewards can save up to \$110 or more each year and may qualify for a reduced deposit. Call a customer service representative to find out more at (252)636-2750.

Are deposits required for all accounts? Can the deposit be waived?

- For new or transfer customers - deposits are required for all accounts, but are waived if one of the following criteria is met:
 - You have good credit
 - You have good payment history from another utility
 - You add a co-signer to the account who is a City customer & has good credit
- For existing customers -
 - Deposit required at any time if you meet any of the following criteria:
 - 2 or more delinquent actions in a 12 month period
 - Require payment arrangements for overdue amounts
 - Present insufficient funds for payment (bad checks)
 - Utility fraud/tampering
 - Deposits may be waived by adding a co-signer to the account who is a City customer & has good credit

What does the City do with my deposit?

- All deposits are held in safe keeping and are NOT spent by the City

Is the full deposit required now?

- Existing customers have the option to pay the deposit in periodic installments over a 4 month time span. Customers must visit our Utility Business Office, 606 Ft. Totten Dr. to make this payment arrangement. Customer service representatives are available from 8 a.m. - 5 p.m. Monday through Friday to assist customers.

How do I get my deposit refunded?

- The City will refund 100% of your deposit after 18 months of excellent payment history if:
 - You have no delinquent payments
 - You have no payment arrangements
 - You have no more than 2 late payments
 - You have not presented insufficient funds for payment
 - You have not committed utility fraud/tampering

Does the "18 months of excellent payment history" begin immediately or after the deposit is paid in full?

- It begins after the deposit is paid in full.

Is my deposit refund applied to my account balance?

- Yes, or if you choose, the City can write you a check. Checks are distributed 1-2 times per month.

Am I paid interest on my deposit?

- No.

When is my payment considered late? When am I considered delinquent?

- Your payment is considered late between the due date on the bill and 10 days after. During this 10 day period you will be charged a 5% late fee. This 5% late fee is assessed on your next bill.
- Your payment is considered delinquent on the 11th calendar day after the due date on the bill. At this point, you will be charged \$30, and you will be subject to service interruption, deposit increase, and additional fees for service reconnection. All fees associated with delinquent payments will be assessed on your next bill.

When was this policy adopted?

- The City of New Bern Customer Service Guidelines were adopted in 1995. In May of 2014, the Board of Aldermen voted to begin more effectively enforcing these guidelines as a way of minimizing the write-offs for unpaid utility bills each year. The enforcement of these guidelines began on July 1, 2014, with two changes: the calculation method for deposits and the length of time deposits are held before refund. These two changes to the guidelines passed unanimously by the Board of Aldermen.

How much does the City write off in unpaid utility bills each year?

- Fiscal year 2015-2016 approximately \$238,000
- The enforcement of these guidelines is not an effort to recover these losses. It is a way to minimize future write-offs, which can ultimately affect utility rates.

Deposit Decision Criteria

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Deposits

- Events requiring a deposit
 - 2+ delinquent actions in a 12 month period
 - Require payment arrangements for overdue amounts
 - Bad check or Utility fraud/tampering
 - Poor credit
- Waiver options
 - Good credit or good payment history with another utility
 - Add a co-signer/guarantor with good credit and is an existing City customer

Online Deposit Requirement Credit Check

- Extensively used by utilities nationwide for evaluation of credit risk each applicant poses to help make accurate, objective, credit-based deposit requirement decisions. Information provided from credit services like Experian.
- New Bern assess deposits at 20% risk or more, other utilities start at 10%

The screenshot shows a credit report interface for 'JOE CUSTOMER' at '123 RIVER LN, NEW BERN, NC, SSN XXX-XX-5555'. The report is from 'CITY OF NEW BERN' and 'ON LINE UTILITY EXCHANGE'. It includes a 'Score Disclosure Notice' on the right, a 'Deposit Decision' section showing a '25.5% Potential Delinquency Risk', and a 'SSN Verification' section with a 'RED FLAG ALERT' and 'Good Match' status. The report also mentions 'DEPORTED ADDRESS DOES NOT MATCH' and 'RED FLAG ALERT'.

JOE CUSTOMER
123 RIVER LN,
NEW BERN, NC
SSN XXX-XX-5555

ON LINE
UTILITY EXCHANGE

Score Disclosure Notice
Your Credit Score and Understanding Your Credit Score

Deposit Decision
25.5%
Potential Delinquency Risk

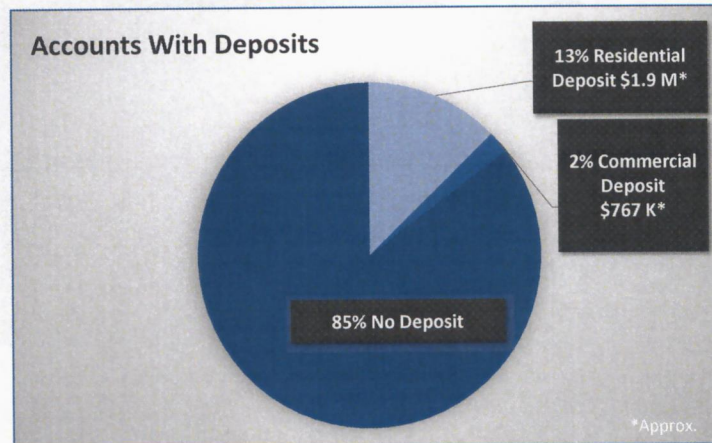
SSN Verification
RED FLAG ALERT
Good Match
DEPORTED ADDRESS DOES NOT MATCH

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Deposit Payment Options

- New Customer – if deposit required, must be paid prior to start of service
- Existing customer – if deposit required:
 - Can pay in 1 installment
 - Option to pay in period installments over a 4 month time span

DEPOSIT SNAPSHOT - 2/27/18



Approximately 27,500 customer accounts total
 672 Commercial Deposits
 4091 Residential Deposits

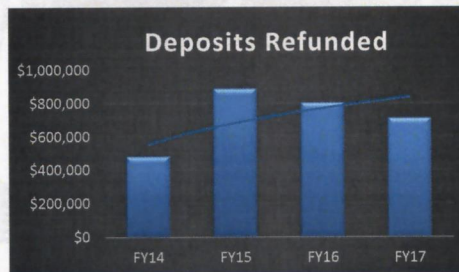
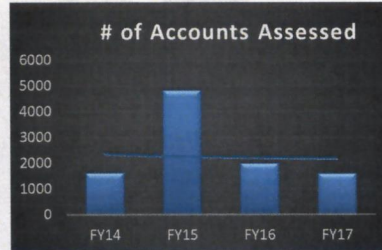
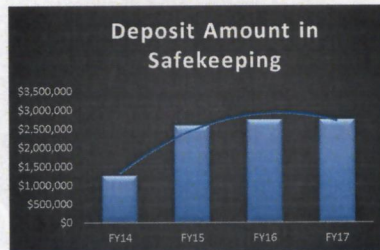
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Deposits Activity

Year	Beginning of Year	Collected	Applied/ Refunded	End of Year
FY11	1,134,798.82	626,744.38	561,212.88	1,200,330.32
FY12	1,200,330.32	557,301.05	534,519.40	1,223,111.97
FY13	1,223,111.97	533,772.07	527,593.33	1,229,290.71
FY14	1,229,290.71	513,857.58	481,531.33	1,261,616.96
FY15	1,261,616.96	2,217,413.11	888,199.83	2,590,830.24
FY16	2,590,830.24	959,496.44	804,007.01	2,746,319.67
FY17	2,746,319.67	652,886.40	711,434.79	2,687,771.28
FY18 to 2/28	2,687,771.28	448,565.26	457,781.94	2,678,554.60

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Deposit Activity



- FY15 aberration expected
- Flat to receding trend
- 73% utilities reserve right to assess deposit to existing customers, 26% don't enforce per APPA

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TRENDS SINCE IMPLEMENTATION

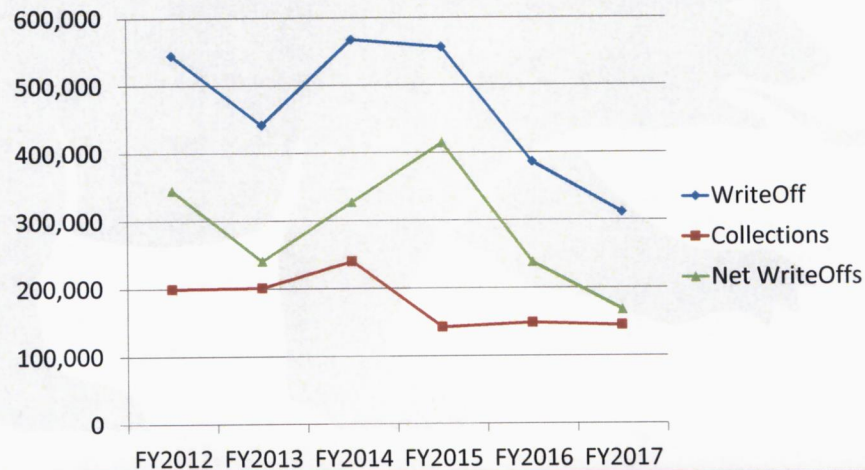
Writeoffs: \$256,000 45% decrease FY14 to FY17

Net Writeoffs: \$160,000 49% decrease FY14 to FY17

FISCAL YEAR	Write Off	Collections	Net Write Offs
FY2012	544,691.69	199,536.35	345,155.34
FY2013	441,405.76	200,855.54	240,550.22
FY2014	567,628.14	239,882.27	327,745.87
FY2015	556,353.88	141,911.95	414,441.93
FY2016	386,235.75	148,175.11	238,060.64
FY2017	311,865.18	144,168.40	167,696.78
Grand Total	2,808,180.40	1,074,529.62	1,733,650.78

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TRENDS SINCE IMPLEMENTATION



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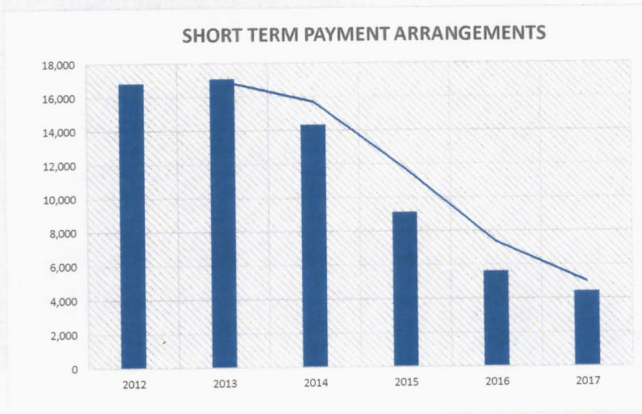
TRENDS SINCE IMPLEMENTATION

- Estimated Write Offs if no changes made

FISCAL YEAR	Actual Write Off	Projected W/O Changes	Difference
FY2016	386,236	455,137	68,901
FY2017	311,865	455,508	143,643
Grand Total	698,101	910,645	212,514

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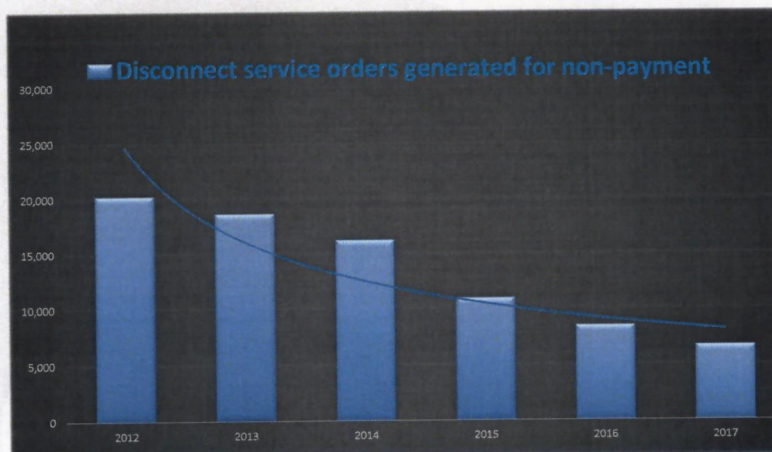
TRENDS SINCE IMPLEMENTATION



2014 **14,413** Pay Arrangements
 2017 **4,396** Pay Arrangements
 APPA survey range is 1 to 50, median is 4.5 nationally
69.5% drop from FY14 to FY17

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TRENDS SINCE IMPLEMENTATION



2014 **16,250** Disconnect service orders generated for non-payment
 2017 **6,710** Disconnect service orders generated for non-payment
58.7% drop FY14 to FY17

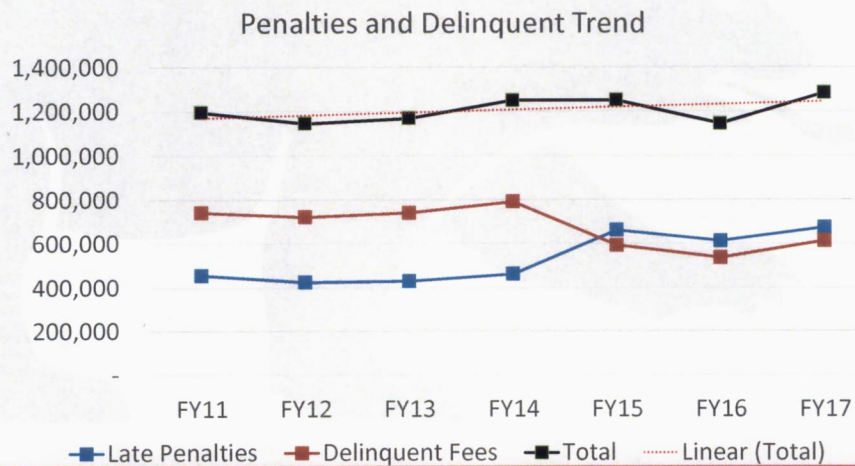
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TRENDS SINCE IMPLEMENTATION

- Delinquency Fee
 - \$30 has remained the same for many years
 - APPA survey charge ranges from \$8 to \$105, avg. is \$33.70
 - **28%** drop in overall activity 2014 vs. 2017, up tick or leveling
- Late Fees
 - FY15 fee increase from 2.5% to 5%
 - APPA survey charge ranges from .01% to 55%, avg. is 5.87%
 - **17%** drop in overall late penalty occurrences FY14 to FY17

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TRENDS SINCE IMPLEMENTATION REVENUE



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Revenue Chart

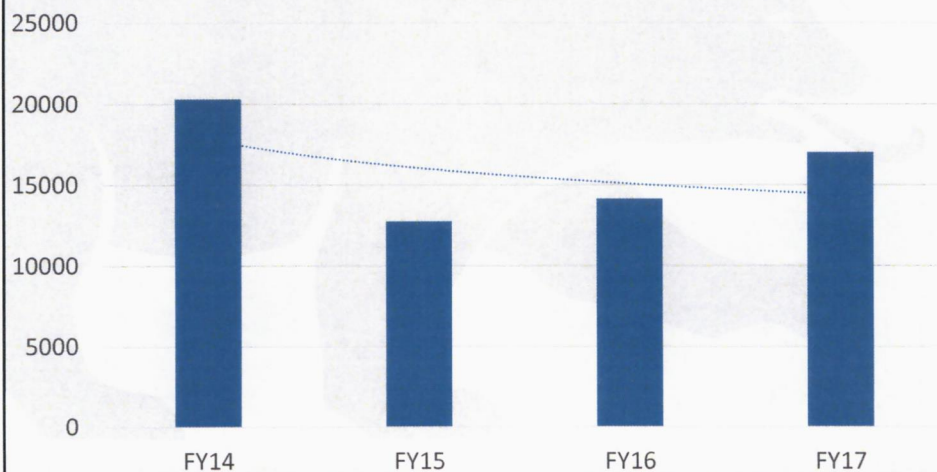
	Late Penalties	Delinquent Fees	Total
FY11	447,500	740,718	1,188,218
FY12	415,628	720,644	1,136,272
FY13	418,960	738,826	1,157,786
FY14	446,673	788,794	1,235,466
FY15	639,862	589,981	1,229,843
FY16	590,364	533,108	1,123,472
FY17	649,333	610,579	1,259,913

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TRENDS SINCE IMPLEMENTATION

Delinquency

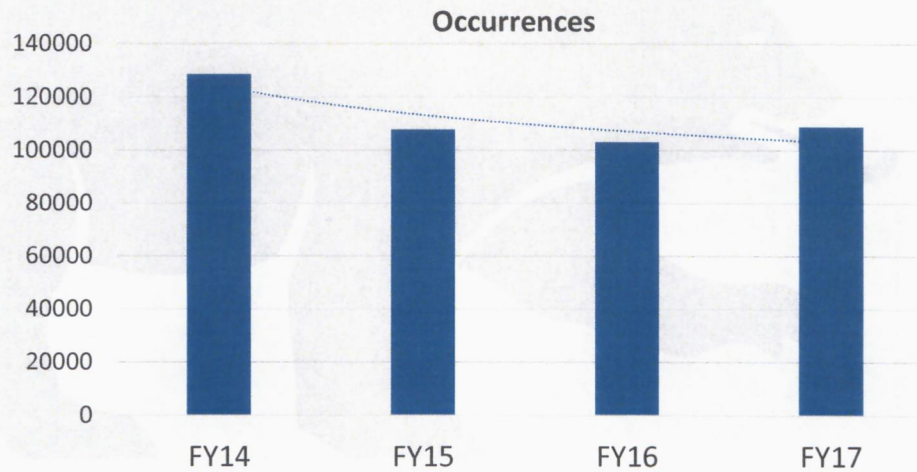
Occurrences



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TRENDS SINCE IMPLEMENTATION

Late Penalties



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2015 OCU Results

- Financial Risk: Pay arrangements and Bad Debt/Write-offs risk exposure addressed

Observations and Findings

Customer Service

The overall objective of good customer service is to meet or exceed customer needs and expectations.

These can be measured in a number of ways:

- Customer satisfaction (service, complaints)
- Billing and payment options and performance
- Bad debt (collections) ratios



In Hometown Connections' 2012 site visit, New Bern's customer service delivery and business processes received good marks – three stars – but also received some of the harshest criticism from among the 12 functional areas explored. These arose primarily from the highly customized services that many customers were seeking and receiving and the financial risks and impacts on the utility of the large number of transactions that fell outside the standard payment policies.

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Hometown Connections®

DELIVERING VALUE TO PUBLIC POWER

"Another noteworthy change that has taken place was the difficult but important decision to address a long history of lenient payment arrangements that each month resulted in well over a 1,000 time-consuming individualized monthly arrangements to be made for customers requesting them. When Hometown Connections first learned of this practice in 2012, it was staggering to us the extent to which payment arrangements were being used each month. Although the sentiment behind trying to respond to customers struggling to make payments was laudable, the accommodations themselves rarely solved the problem..."

New Bern phased in a series of changes to customer payment policies and procedures using APPA customer service benchmarking surveys and best practices of other public utilities to design their plan....The result of this revamped policy has been significant, greatly reducing the number of payment arrangements and cutting in half the delinquencies. This has allowed Utility Business Office staff to redeploy their resources more effectively..."

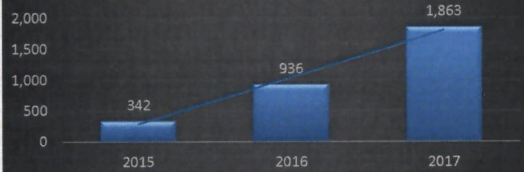
Hometown Connections – October 2015

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PROGRAMS SINCE IMPLEMENTATION

New Bern CONNECTS – Round Up & Load Management Rewards

Round Up - # of Participants Making Monthly Donations



- Round Up assists fellow New Bern utility customers in need in collaboration with Religious Community Services
- Actively marketed by City

**Load Management Rewards
of Deposits Reduced**



- Reduced deposit assessed amounts prior to FY15
- Annual bill credits \$130+
- Participants help control wholesale power costs

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PrePay Program

- Part of FY19 Budget Request
- Implementation may be dependent on billing software conversion and AMI installation
- Highlights
 - No deposits (existing customer deposits will be applied to balance)
 - No late penalties
 - No delinquent fees
 - No customer credit card processing fees
 - Daily consumption available



Customer Survey - Spring 2017

- In April 2017, City of New Bern with ElectriCities of NC commissioned GreatBlue Research, Inc. to conduct a Residential Customer Satisfaction Survey and a Commercial Customer Satisfaction Survey among customers....447 telephone interviews of randomly selected City of New Bern residential customers. All interviews were completed by GreatBlue research staff at its corporate headquarters in Cromwell, Connecticut.
- **In summary, when asked to rate their overall satisfaction with City of New Bern, 78.9% of residential customers and 84.5% of commercial customers reported to be "satisfied."**
- American Customer Satisfaction Index Benchmark Scores
 - Duke Power **73%**
 - Investor Owned Utilities overall nationally **75%**
 - Municipally Owned Utilities overall nationally **75%**
 - Cooperative Owned Utilities overall nationally **77%**



Utility Deposits: What Residential Customers Need to Know!

The City of New Bern is distributing this information to help customers understand our business practices regarding utility deposits, delinquencies, payment arrangements and late payments. We've also listed two programs below that are designed to help customers lower their utility deposit, save money, and seek financial assistance if they qualify in support of strategic goals. If you have further questions, please visit one of our customer service representatives at the Utility Business Office, located at 606 Ft. Totten Drive, or call us at (252)639-2750. This information is also posted on our website at www.newbern-nc.org. Please follow us on Facebook & Twitter where this information and additional city news can be found.

Customer Focused Initiatives News



The City of New Bern Board of Aldermen has approved 3 electric rate and water/sewer rate reductions since 2015. Please visit www.newbern-nc.org for further information.



The City of New Bern offers New Bern CONNECTS, a series of programs designed to help customers save money and engage the community to help our neighbors in need. The Round Up program invites customers and other organizations to voluntarily 'round up' their utility bills to the next dollar, with the remainder going into a program fund to assist customers in financial need. One time donations are also accepted.



The Load Management Rewards program helps customers save money on their bills and receive load management credits by limiting peak demand for electricity. Customers who participate in Load Management Rewards can save up to \$110 or more each year and may qualify for a reduced deposit. Call a customer service representative to find out more at (252)639-2750.

Are deposits required for all accounts? Can the deposit be waived?

- For new or transfer customers - deposits are required for all accounts, but are waived if one of the following criteria is met:
 - You have good credit
 - You have good payment history from another utility
 - You add a co-signer to the account who is a City customer & has good credit
- For existing customers –
 - Deposit required at any time if you meet any of the following criteria:
 - 2 or more delinquent actions in a 12 month period
 - Require payment arrangements for overdue amounts
 - Present insufficient funds for payment (bad checks)
 - Utility fraud/tampering
 - Deposits may be waived by adding a co-signer to the account who is a City customer & has good credit

What does the City do with my deposit?

- All deposits are held in safe keeping and are NOT spent by the City.

Is the full deposit required now?

- Existing customers have the option to pay the deposit in periodic installments over a 4 month time span. Customers must visit our Utility Business Office, 606 Ft. Totten Dr. to make this payment arrangement. Customer service representatives are available from 8 a.m. – 5 p.m. Monday through Friday to assist customers.

How do I get my deposit refunded?

- The City will refund 100% of your deposit after 18 months of excellent payment history if:
 - You have no delinquent payments
 - You have no payment arrangements
 - You have no more than 2 late payments
 - You have not presented insufficient funds for payment
 - You have not committed utility fraud/tampering

Does the “18 months of excellent payment history” begin immediately or after the deposit is paid in full?

- It begins after the deposit is paid in full.

Is my deposit refund applied to my account balance?

- Yes, or if you choose, the City can write you a check. Checks are distributed 1-2 times per month.

Am I paid interest on my deposit?

- No.

When is my payment considered late? When am I considered delinquent?

- Your payment is considered late between the due date on the bill and 10 days after. During this 10 day period you will be charged a 5% late fee. This 5% late fee is assessed on your next bill.
- Your payment is considered delinquent on the 11th calendar day after the due date on the bill. At this point, you will be charged \$30, and you will be subject to service interruption, deposit increase, and additional fees for service reconnection. All fees associated with delinquent payments will be assessed on your next bill.

When was this policy adopted?

- The City of New Bern Customer Service Guidelines were adopted in 1995. In May of 2014, the Board of Aldermen voted to begin more effectively enforcing these guidelines as a way of minimizing the write-offs for unpaid utility bills each year. The enforcement of these guidelines began on July 1, 2014, with two changes: the calculation method for deposits and the length of time deposits are held before refund. These two changes to the guidelines passed unanimously by the Board of Aldermen.

How much does the City write off in unpaid utility bills each year?

- Fiscal year 2015-2016: approximately \$238,000
- The enforcement of these guidelines is not an effort to recover these losses. It is a way to minimize future write-offs, which can ultimately affect utility rates.

	New Bern*	Washington	Kinston	Greenville
Residential payment arrangements per year.	4	4	3	1
Residential deposit waiver option?	Yes	Yes	Yes	Yes

* Effective July 1, 2017.