



Town of Clayton
Town Council Regular Meeting Minutes
Monday, June 2, 2025 at 6:00 PM
Council Chambers, Town Hall
111 E. Second Street

Council Present:

Mayor Jody McLeod
Mayor Pro Tem Michael Sims
Council Member Andria Archer
Council Member Porter Casey
Council Member Ruth Anderson
Council Member Gretchen Williams

Staff Present:

Rich Cappola, Town Manager
Jim Cauley, Town Attorney
Heidi Holland, Town Clerk
Dolores Gill, Deputy Town Manager
Courtney Tanner, Deputy Town Manager
David Ranes, Fire Chief
Robert McKie, Jr., Finance Director
Nathanael Shelton, Communication Director
Ann Game, Revenue & Utility Customer Service Director

Council Absent:

None

1. CALL TO ORDER

a. Call to Order

Mayor McLeod called the meeting to order at 6:00 p.m.

b. Pledge of Allegiance

Mayor McLeod led the Pledge of Allegiance.

c. Invocation

Mayor McLeod provided the Invocation.

2. ADJUSTMENT OF THE AGENDA

- a. Council Member Casey requested to move item 3f. FY 2026 Capital Improvement Plan to 9b. and Attorney Cauley requested to add a Closed Session to discuss a legal matter in accordance with NC GS 143-318.11(a)(3).

Adopt or Adjust the Agenda

RESULT:	CARRIED 5-0
MOVER:	Porter Casey
SECONDER:	Gretchen Williams
YES:	Michael Sims, Andria Archer, Porter Casey, Ruth Anderson, and Gretchen Williams
NO:	None

3. **CONSENT AGENDA**

- a. Minutes
 - May 5, 2025 - Regular Session
 - May 19, 2025 - Regular Session
 - May 19, 2025 - Closed Session

Presenter: Heidi Holland, Town Clerk
- b. Certification of Sufficiency by the Clerk: 2025-05-ANX Powhatan Self Storage
Presenter: Heidi Holland, Town Clerk
- c. Resolution Setting Public Hearing: 2025-05-ANX Powhatan Self Storage Annexation
Presenter: Haley Downey, Assistant Planning Director
- d. Resolution Authorizing the Wake County Tax Administrator to Levy and Collect Property Taxes for the Town of Clayton
Presenter: Robert McKie, Jr., Finance Director
- e. Resolution Authorizing the Johnston County Tax Administrator to Levy and Collect Property Taxes for the Town of Clayton
Presenter: Robert McKie, Jr., Finance Director
- f. ~~FY 2026 Capital Improvement Plan~~ (This item was moved to 9b.)
Presenter: Christopher Gallant, Capital Program Manager
- g. Resolution to Acquire Easements for Starmount Pump Station Decommission Project
Presenter: Christopher Gallant, Capital Program Manager

Adoption of Consent Agenda as Presented

RESULT:	CARRIED 5-0
MOVER:	Porter Casey
SECONDER:	Michael Sims
YES:	Michael Sims, Andria Archer, Porter Casey, Ruth Anderson, and Gretchen Williams
NO:	None

4. **ADMINISTRATIVE ITEMS**

- a. Clayton4U
 - Water Reclamation

Presenter: Nathanael Shelton, Communication Director

Shared was the latest episode discussing wastewater.

5. **INTRODUCTIONS AND SPECIAL PRESENTATIONS**

- a. National Gun Violence Awareness Day Proclamation

Presenter: Mayor Pro Tem Sims to Present to Johnston County Chapter of Moms Demand Action For Gun Sense in America

Mayor Pro Tem Sims read the proclamation and presented to the Johnston County Chapter of Moms Demand Action For Gun Sense in America.

- b. Pride Month Proclamation
Presenter: Council Member Archer

Council Member Archer read the proclamation into the record.

6. PUBLIC HEARINGS

- a. FY2026 Manager Recommended Budget - Second Reading
Presenter: Rich Cappola, Town Manager and Todd Melton, Budget Manager

Mr. Cappola stated at the last meeting, the first public hearing was held. Since then, there are a few updates to add and a couple highlights to mention. Mr. Melton stated tonight for the second public hearing he would provide some quick updates.

Since the May 19, 2025 council meeting, the amount of property under repeal decreased from \$480M to \$379M although we do not know the effect of that decrease yet. The impact of the costs of utilities we buy and resell would increase 10% for water and sewer and 3.5% for electric; these costs were factored into the budget last week. We are recommending rate increases for both water and sewer, the rate we are recommending is just above 10% and our electric rate recommendation is 2% which is lower than the expected increase in our power. Mayor McLeod clarified the 10% water and sewer increase is directly connected to the 10% increase in cost the County is requiring to Clayton, Mr. Melton stated yes.

Council has been provided with a detailed budget report by department and is available for review. County tax rate is still undecided, currently the recommended rate is \$.64 cents per \$100 value; that is a \$0.03 cent decrease from the FY25 rate. We recommend \$0.49 cents, which is just \$0.04 cents over our revenue neutral rate.

The Town did implement a base budget strategy this year to trim the budget. Operating expenses, contracts, more discretionary line items and reviewed the last few years of actual expenses in those areas, took an average and compared them to the current budget. Department heads had the opportunity to ask for increases with justifications. A new budgeting software is being used, ClearGov which would eventually allow staff to show Council how the budget lines up with the Strategic Plan.

General Fund is currently balanced at \$67.2M with a recommended \$0.49 per \$100 valuation tax rate, Capital outlay is \$17.9M which includes a \$7.5M land banking opportunity, water and sewer fund is balanced at \$48.3M, and the electric fund is balanced at \$25.7M.

Shared were economic considerations, major revenue assumptions, employee benefit assumptions. It was stated State Health Plan Employee only coverage is expected to go up either \$40 or \$100 per month depending on the plan.

Final thoughts were shared. An updated FY2026 Expenditure Budget Summary was shared. There were a few small shifts from the last public hearing, but the overall numbers remained the same.

Council Member Casey stated he appreciated the baseline budget and the detailed budget that was shared. He stated for clarity, there is revenue neutral and over revenue neutral, what is the over revenue neutral request? Mr. Melton stated \$0.49 cents. Council Member Casey stated the equipment purchases are almost \$1.2M, he asked if that included vehicles, Mr. Melton stated there are vehicles budgeted in the capital budget but is not sure off the top of his head, he stated he would get that information. Council Member Casey asked for elaboration regarding the \$7.5M land acquisition, Mr. Cappola stated they did include for a provision within the budget to be able to take advantage of opportunities that all discussed internally and some that we may not know of just yet with regards to strategic land acquisition for several uses that the Town or in partnership with some other entities, may want to secure for future needs. That money is in the budget as both revenue and expense. That money is not funded through the tax rate this year, that would be debt service that would come online in subsequent fiscal years. The net impact overall to the budget this year flat.

Mayor Pro Tem Sims shared his concern that 46% of the budget is salaries and benefits. Looking from FY2022-FY2025, as far as the increase in personnel is concerned, he wonders as we increase are we lining up with the taxes and money the Town brings in. He is curious from a percentage standpoint, how we show the public that we are lining up from a percentage standpoint and benefits to what our tax growth is. Mr. Cappola stated from an overall budgetary scenario, yes, from the general fund, if you look at the \$30.8M out of the \$67.2M we are sitting at about 45.8% for salaries. On the electric and water and sewer fund, it is about 8% because a lot of the support services are born out of the general fund. Taking that into consideration, we are sitting more around 25-28%. That ratio of salaries and benefits to the overall budget is consistent with other growing areas. He stated every year salaries and benefits are reviewed through comp studies to stay competitive. Mayor Pro Tem Sims stated we need to make sure we are being fiscally responsible. Mr. McKie added, across all three funds, the average percentage of salaries and wages to the grand total is roughly 26%.

Council Member Casey stated this is our second public hearing and not voting tonight; Mr. Cappola stated it is staff's recommendation to close tonight's public hearing and defer the decision until the June 16, 2025 meeting. Due to noticing requirements, especially with the electric rate, our intent is to have the comprehensive list of fees and the budget formally approved at the June 16, 2025 meeting. Council Member Casey stated we are actually giving another two weeks for citizens to reach out, he thinks it's important that we are not pushing this through and giving its due diligence.

Mayor McLeod stated this has been noted as a public hearing and asked if anyone wished to speak. With no one wishing to speak, the public hearing was closed.

7. QUASI-JUDICIAL HEARING

8. OLD BUSINESS

9. NEW BUSINESS

a. FY2025 Audit Contract

Presenter: Robert McKie, Jr., Finance Director

Mr. McKie stated tonight's request is for Council to approve the audit contract for FY2025 which is performed by Anderson, Smith, & Wike. The maximum fee increase went up \$1,000 and is directly attributable to the single audit requirements for our federal and state programs we have, Sam's Branch being the biggest.

Approval of Contract

RESULT:	CARRIED 5-0
MOVER:	Andria Archer
SECONDER:	Michael Sims
YES:	Michael Sims, Andria Archer, Porter Casey, Ruth Anderson, and Gretchen Williams
NO:	None

b. FY 2026 Capital Improvement Plan

Council Member Casey stated this relates to the upcoming budget and our CIP plan, which is a wish list of prioritized projects needed in the community to keep a level of service. He stated there may be projects on the list that are not as high as others but tag along with other projects and make sense to do them in tandem. He had a question regarding the East Main Street Sidewalk project and parking.

Mr. Cappola stated in the general fund CIP line 54 currently calls for East Main Street new parking lot. He stated as recalled, as part of discussion moving forward with what is line 2 on the CIP, which is the East Main Street Sidewalk Connector, that parking lot is adjacent to the sidewalk that would be constructed and is to mitigate some of the parking losses along Main Street. At previous work sessions the possibility of combining those two projects or adding that parking lot into the East Main Street Sidewalk Connector was discussed. That is the plan moving forward, the numbers would be adjusted accordingly. Discussions are being held with the railroad to finalize that design. The intent would be to wrap up easement acquisitions and finalize agreements with NCRS later this summer to be able to bid this out and have construction begin late this year or first quarter of 2026. He clarified item on line 54 on the CIP list would be incorporated into item 2 and begin at the same time.

Adoption of Resolution #2025-44

RESULT:	CARRIED 5-0
MOVER:	Porter Casey
SECONDER:	Michael Sims
YES:	Michael Sims, Andria Archer, Porter Casey, Ruth Anderson, and Gretchen Williams
NO:	None

10. STAFF REPORTS

a. Town Manager

Mr. Cappola stated June 7, 2025 the Fire Department would be hosting Fire Alarm Saturday, which is a coordinated effort throughout the State. The Fire Department will be installing smoke alarms in residences throughout Town. 80 have been provided by the Office of the State Fire Marshal and some provided at a discount from Wal-Mart. Door hangers went out last week for citizens.

For the third year in a row the Town would host a Juneteenth celebration. It will be held Saturday, June 14 at 3:00 p.m. in The Clayton Center. A presentation of Jackie Robinson's life will be performed. This event is free to the public.

b. Town Attorney

c. Town Clerk

d. Other Staff

Energy Audits

Presenter: Nathanael Shelton, Communication Director

Mr. Shelton shared information on a program with the Customer Service department and Electricities. Beginning June 23, 2025, free energy audits would be offered to our customers; 25 slots would be available over the course

of a week. An email including a video would go out to all customers. The video was shared. Ms. Game stated that added on the Town's website is a self-service energy audit for customers. Customers enter in details about the size of their home, age of windows/doors, and HVAC system; based on temperatures it will provide estimates of daily and monthly usage. This is another tool for customers to understand how their consumption and their households impact their bills. Mayor McLeod stated this is a perfect opportunity for anyone to apply for an audit or to use the tool online to educate themselves on what their house is requiring and what could be done to make it better.

11. OTHER BUSINESS

a. Informal Discussion & Public Comment

Dee Johnson-Phillips, National Board Member for Bayard Rustin LGBTQ Chapter APRI and Executive Director of the official Clayton Pride Board. On behalf of the LGBTQ community, she is honored to accept the Pride proclamation from the Town.

b. Council Comments

Mayor Pro Tem Sims thanked Police Department, Fire Department, Parks and Rec, Coke, and Stevens Hot Dogs for their involvement in the Clyde Sinclair Basketball Tournament, he stated it was a huge success. He recognized the late Marlon Lee, Council Member for Smithfield who passed away last week. He stated to carry on his legacy; we should all go out and make everyone feel like someone. Mayor McLeod spoke of Mr. Lee and the group he created at Clayton High called Men of Distinction. He stated speaking for that group was one of the best things that has happened to him since becoming Mayor in 2003. Council Member Anderson thanked Chief Raney for the smoke detector program, she stated it was a huge success last year and she is excited to see it continue.

Council Member Archer introduced an organization called Military Missions in Action that assists disabled and homeless veterans and active-duty members of the armed forces and their families. Michael Strauss of Design Hauss who serves as the Vice-President of TANG and Jenny Williams serves as TANG's Community Outreach Chair were present. A fundraiser, Stars and Stripes Fest, was held May 10, 2025 at Apple Law where \$2,284 was raised for the organization; \$0.80 on the dollar goes directly to the veterans, active members and their families. Mayor Pro Tem Sims stated if there is anything they need to let him know how he can assist.

12. CLOSED SESSION

- a. Closed Session to discuss a legal matter in accordance with NC GS 143-318.11(a)(3)**

Motion To Go Into Closed Session

RESULT:	CARRIED 5-0
MOVER:	Porter Casey
SECONDER:	Andria Archer
YES:	Michael Sims, Andria Archer, Porter Casey, Ruth Anderson, and Gretchen Williams
NO:	None

Motion To Return To Open Session

RESULT:	CARRIED 5-0
MOVER:	Michael Sims
SECONDER:	Porter Casey
YES:	Michael Sims, Andria Archer, Porter Casey, Ruth Anderson, and Gretchen Williams
NO:	None

13. ADJOURNMENT

a. Adjourn

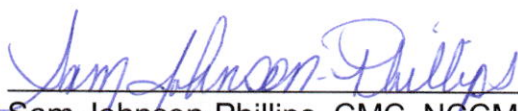
With nothing further, the meeting was adjourned at 7:36 p.m.

Motion To Adjourn

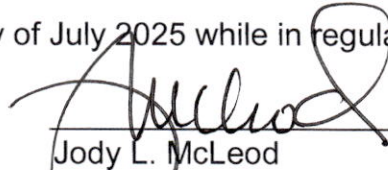
RESULT:	CARRIED 5-0
MOVER:	Michael Sims
SECONDER:	Porter Casey
YES:	Michael Sims, Andria Archer, Porter Casey, Ruth Anderson, and Gretchen Williams
NO:	None

Duly adopted by the Town Council this 21st day of July 2025 while in regular session.

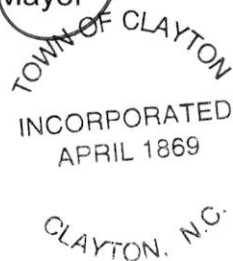
ATTEST:



Sam Johnson-Phillips, CMC, NCCMC
Deputy Town Clerk



Jody L. McLeod
Mayor



From: Jacqueline Jones <jsuttonj1@gmail.com>

Date: June 2, 2025 at 9:15:01 AM EDT

To: Mayor <Mayor@townofclaytonnc.org>

Subject: RATE INCREASE MEETING TONIGHT

Be Advised: This email originated from outside of the Town of Clayton's network. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Mayor,

I found out from Ann Game that there is a meeting tonight for a rate increase of 10% water-sewer. I am unable to attend this meeting but want my voice counted via this email.

I worked as a top producing broker selling in Clayton and JoCo for over 25 years. I own a home and have lived here the same length of time. I am very concerned with the rate hikes.

Water and sewer is already very high and placing hardship on young families and seniors.

A great majority of my buyers relocated from up North or Westies and can afford to pay these higher rates but for the rest of us not so much.

Everything is going up, now the homeowners insurance is jumping AGAIN which means higher mortgage payments, etc.

We are going to lose good citizens who will be forced to move if this continues.

I respectfully ask that there be **NO RATE INCREASE** or if absolutely necessary 1%. The Town must find cheaper and better ways to handle this and not just expect rate increases to be the bandaid.

KINDLY ACKNOWLEDGE RECEIPT OF THIS EMAIL

Best,

Jacqueline Jones

18 Trailing Oak Trail

Clayton NC 27527

919-649-7037