



Town of Clayton
Town Council Work Session Agenda Minutes
Monday, March 2, 2026 at 3:00 PM
Council Chambers, Town Hall
111 E. Second Street

Pursuant to N.C. General Statute § 143-318.10(e), these minutes provide a general summary of the Town Council meeting and do not represent a verbatim transcript. A complete video recording of this meeting is available for public access on the Town of Clayton’s official YouTube channel: <https://www.youtube.com/user/TownofClaytonNC>.

Council Present:

Council Member Ruth Anderson
 Council Member Amanda Underwood
 Council Member Gretchen Williams

Council Absent:

Mayor Pro Tem Andria Archer
 Council Member Porter Casey

Staff Present:

Rich Cappola, Town Manager
 Jim Cauley, Town Attorney
 Heidi Holland, Town Clerk
 Lee Barbee, Deputy Town Manager
 David Ranes, Fire Chief
 Nathanael Shelton, Communication Director
 David White, Water Reclamation Superintendent
 Matthew McMillan, Plant Maintenance Supervisor
 Lisa Joseph, Plant Operations Supervisor
 Juan Rodriguez, Instrumentation Control/Pump Technician
 Jacob Lowder, Pretreatment/FOG Coordinator
 Sharon Weisbeck, Business Analyst – ERP
 Jerome Parker, Risk & Safety Officer
 Tim Robbins, Public Works Director
 Chris Gallant, Capital Program Manager
 Brandon Carroll, Grounds Superintendent
 Conrad Olmedo, Planning Director
 Matt Proctor, Electric Systems Director

1. CALL TO ORDER

- a. Call To Order

Mayor McLeod called the meeting to order at 3:07 p.m.

2. ADJUSTMENT OF THE AGENDA

- a. No adjustments were made to the agenda.

Adoption of the Agenda

Result:	Passed 3-0
Mover:	Ruth Anderson
Second:	Gretchen Williams
Yes:	Ruth Anderson, Amanda Underwood, Gretchen Williams

No:	None
Absent:	Andria Archer, Porter Casey

3. STAFF INTRODUCTIONS AND RECOGNITION

- a. 3:00 - 3:10 p.m.
 Matthew McMillan, Plant Maintenance Supervisor
 Lisa Joseph, Plant Operations Supervisor
 Juan Rodriguez, Instrumentation Control/ Pump Technician
 Heather Boyd, Laboratory Technician
 Jacob Lowder, Pretreatment/FOG Coordinator
Presenter:
 David White, Water Reclamation Superintendent

Sharon Weisbeck, Business Analyst - ERP
Presenter:
 Rich Cappola, Town Manager

David White introduced new staff and stated they bring over 60 years of water/sewer experience. He stated they are still down one Pump Technician, once that is filled the department would have a fully functioning maintenance staff, not only for continued operation at Little Creek but for when Sam's Branch is operating.

Mr. Cappola introduced Sharon Weisbeck, our new Business Analyst for the ERP (Enterprise Resource Planning) system. She brings over 20 years of experience working with these types of systems.

4. ITEMS FOR DISCUSSION

- a. 3:10 - 3:40 p.m.
 Safety Update
Presenter:
 Jerome Parker, Risk & Safety Officer

Mr. Parker provided an update on safety initiatives and training that have taken place over the past several months. He stated every year, the Town must report any injuries and illnesses to OSHA and the Department of Labor public and private sectors.

He stated the Town reported 9 injuries in 2024 and 10 in 2025. In 2025, staff worked 1,077,768 total hours (that does not include any hours Council worked) with 550 employees, including full-time, part-time and summer camp employees. With 10 reportables, that reports to 1.76% reportable injuries per employee, which is a great number.

He shared information about the contracted training conducted in 2025, which included flagger training, chainsaw training, chipper training, reasonable suspicion training at the Director level, and a mock storm exercise that allowed staff to practice safely removing trees from power lines.

In 2025, 6 employees qualified in the Entry Level Driving training, which saved the Town \$40,000. Currently, 5 employees are enrolled in the ELDT CDL program and are scheduled to take their skills test in March, which would save the Town over \$35,000.

Devin Evans, Safety Technician, has recently been certified as a First Aid/CPR/AED instructor.

This allows the Town to streamline our First Aid/CPR training. Training for Operations and the Wastewater Treatment plant employees are complete and training for Parks and Rec. and Town Hall employees will be held in April and May.

AED's have been added to every floor to include the basement in Town Hall. Emergency Evaluation maps have been revised, printed, and placed on all floors at Town Hall. The maps show fire extinguisher locations, AED locations, fire alarm pull stations, and primary and secondary egress routes.

A 12-month safety schedule is being developed. It would enable all departments to be able to schedule around operational commitments. A plan is being developed to place AED's in and around parks, greenways, and other public gathering locations.

He shared upcoming trainings for supervisors this year which included Reasonable Suspicion Training. In March, a Safe Driving training course would be available to employees. Staff have collaborated with the NC League of Municipalities to develop an informative Safe Driving presentation for all employees.

He stated in 2024, there were 23 vehicle incidents and 25 in 2025. On the risk management side, there is only 1 active claim to personal property.

The Town would be purchasing "on the go" tests for dehydration. Having these tests would help test employee's hydration levels on the job before they get to the point of being dehydrated.

He shared placards that are currently in Town vehicles, "What To Do If Involved In A Motor Vehicle Incident or Have a Disabled Vehicle". He stated Devin Evans has worked with Fleet Management to revise and add more detail. These would be revised and put in all Town vehicles.

Mayor McLeod asked Mr. Parker to explain what Reasonable Suspicion Training is. It is training provided to supervisors or managers to help them recognize signs that an employee may be under the influence of drugs or alcohol while at work, and how to properly document and respond to those situations according to workplace policies.

b. 3:40 - 4:00 p.m.

Library Update: Construction and Exterior Upgrades

Presenters:

Tim Robbins, Public Works Director

Christopher Gallant, Capital Program Manager

Brandon Carroll, Grounds Superintendent

Mr. Gallant provided an update on the library renovation. Council toured the facility when it was just a rough frame. Since then, all rough-ins for the mechanical, electrical and plumbing have been completed, as well as the dry wall and mudding, second coat of paint, and all drop-in ceiling lights installed. Door frames are in, restroom tiles are near completion, ceiling tiles, millwork and countertops are being installed, storefront and glass are being installed, and the exterior demolition and renovation work is taking place. Next steps would be installation of the carpet, LVP flooring, final paint, and MEP trim-out. He stated we are tracking on budget and on time for a completion date of May/June this year.

Shared were photos of the interior progress of the main library area and the teen area, which included a fireplace and study areas. The main corridor would have restrooms and a laptop bar. The children's area and community space photos were shared.

Mr. Robbins spoke about the exterior renovations. He spoke about plans for new landscaping for the building as well as ADA improvements. Some of the sidewalks from the parking lot access into the building had an opportunity for improvement. He stated they would remove the existing ADA crossing and entrance and reconfigure some of the striping in the parking lot, relocate the existing ADA parking to get that space closer to the building, and construct a new ADA access to the main entrance.

The foundation shrubs would be replaced, and the site would be resodded with Bermuda sod. The brick pavers along Church Street would be removed, the current art sculpture pad would be removed and a new one installed towards Main Street, a monument sign would be installed on the corner of Main and Church Street, and the existing bike rack would be removed and replaced with a new one.

Shared was a site plan for exterior renovation.

Mayor McLeod asked if the big tree to the right of the door would remain on site. Mr. Robbins identified it as a Magnolia Tree and stated it would be pruned and would remain. He stated there is an American Holly that is aged and diseased. He is proposing it be removed and replaced with a maple tree. Mr. Carroll provided Council a report on the health and safety of that holly tree.

The monument sign would be a scaled-down version of the Town's signs similar to the ones at the entrance of Sam's Branch and Fire Station 2. The location of the book drop would be moved closer to the entrance and align with traffic flow better.

It was discussed to move the existing bike rack near a trail, he stated it would be repurposed.

5. ITEMS FOR DISCUSSION

- a. 4:00 - 4:30 p.m.
Political Signs Update
Presenters:
Rich Cappola, Town Manager
Conrad Olmedo, Planning Director

Mr. Cappola stated this time of year we receive a lot of questions about political signage. With our current UDO, our language is a little more restrictive. He asked Mr. Olmedo to check statutes and any federal laws that may apply and provide recommendations on how the Town may be able to streamline the process.

Mr. Olmedo stated this topic was discussed at the Council retreat on November 10, 2025. A point was made there about standards for political signs and there seemed to be a lack of consistency in the Town's application of standards. During the last election cycle, there was direction to provide notices to certain candidates to acquire permits for their signs on their private property, which led to some enforcement action.

He stated the UDO speaks to statute NCGS 136.32, which is specific to political signage in the

right-of-way. When it's not in the right-of-way, the question is asked where do we park these signs? He stated that's when we look at our Temporary Signs standards and would look into issuing permits for these types of signs.

He stated state law distinguishes political signs with the period of time in which they are put out in the public. He stated it is 30 days before early voting and up to 10 days after election day. The statute also states they may place these signs in the right-of-way of the state highway system as well as states they have to be 3' from the edge of the pavement, not higher than 42", and no bigger than 864 square inches (which is 6 sq. ft. or 2' x 3'). It further states, in the absence of a local standard, the municipality defaults to this statute.

He stated the statute is silent with respect to private property. He stated he researched other municipalities' UDO and found not one town does it the same. He also reached out to the NC Plan Listserv and received 6 responses. He discussed his findings. Some municipalities do apply standards for signs on private property, some say they're just exempt signs, and some require permits. What is consistent is they are allowed in all zoning districts.

Shared with Council was proposed guidelines which were created and reviewed by the Town Attorney and also reviewed by Chad Meadows with CodeWright, who helped write the current UDO. These guidelines incorporate the height, size, location, and period of time allowed for political signs. It includes clear dates for when these signs could be put up and when they must be removed, based on the Johnston County Board of Elections schedule from 2026 to 2030. It also separates into 4 areas of placement: private property, private street, Town street rights-of-way, and NCDOT State Highway System rights-of-way.

Shared was the definition of political sign, "Any sign that advocates for a particular political candidate, party, position, or political action, designed to influence the outcome of an election, that is made available for view by the public before and during the portion of a calendar year when elections are underway as per the Johnston County Board of Elections and described in NCGS 136-32. Political signs are also referred to as "campaign" signs or "election" signs. Signs of a political nature that are placed on private property outside the period of time when elections are underway shall be subject to review of the corresponding sign type standards."

Political signs are being proposed to be allowed in all zoning districts. There was discussion about the placement of the signs. State law says you must have permission from the property owner on which that frontage is. If someone puts a sign out on a public right-of-way, if it abuts the neighbor's property who has not provided you permission to put the sign up, that sign does not have a right to be there. He stated unless we start issuing permits, we would have to assume if there is a sign up, the property owner has given permission for it to be there. He stated the language in the property guidelines mirrors the state statutes with respect to private streets, town street rights-of-way, and NCDOT State Highway System rights-of-way. He noted the Town could still prohibit political signs within its own town-maintained streets; he stated he is not proposing that.

Shared was more proposed language which included the number of signs per lot, maximum height, maximum sign face area, and minimum setback from a lot line, as well as the time period to allow political signs.

The Communication Department has created a webpage with detailed information and the guidelines on political signs. A printable flyer was created to easily provide all this information to

a citizen or political candidate. This would be available on this website along with a map of the Town and NCDOT roads.

Mr. Cappola stated this language would be included in the next UDO amendment, which would go to the Planning Board in May for their recommendation and then to Council for adoption at a regular meeting.

- b. 4:30 - 5:00 p.m.
Wholesale Power Bill Update
Presenter:
Matt Proctor, Electric Systems Director

Mr. Cappola stated a couple of weeks ago we received a formal notification regarding rate increases to the wholesale bill.

Mr. Proctor provided background information on this subject. The Town is 1 of 32 member municipalities in the NC Eastern Municipal Power Agency (NCEMPA). NCEMPA has a Full Requirements Power Purchase Agreement (FRPPA) with Duke Energy Progress to supply the Members' wholesale power needs. ElectriCities serves as the membership organization responsible for managing power supply on behalf of all NCEMPA members. Duke Energy Progress issues monthly wholesale power invoices to NCEMPA. NCEMPA subsequently bills each member community for its portion.

Our wholesale power costs consist of primarily two elements plus several riders; Energy (kWh) and Coincident Peak Demand (kW), Clayton's demand during the single hour each month when Duke Energy Progress experiences its system-wide peak. This would be consistent with most any other commercial or industrial rate, you would be charged on your energy and demand.

These two components are the subject of the 4.5% increase which would be effective April 1, 2026.

Shared were the wholesale rate riders. The wholesale bill includes several riders that account for true ups, delivery charges, lease facilities, generation credits, compliance obligations, and other support service.

- Rider 1: Annual true-up reconciling estimated and actual power costs
 - At the beginning of every year, Duke Energy Progress has no way of knowing what the actual cost would be for the year for supplying power for parts of North Carolina and South Carolina. The Town is billed on a monthly basis on what those estimated power costs are and the following year they true everything up.
- Rider 2: Recovers delivery point metering costs (\$0.06/kW of Billing Demand)
- Rider 3: Charges related to leased facilities (transformer at South Substation)
 - The Town leases the transformer at South Substation and the two transformers at the North Substation we have purchased.
- Rider 6A/6B: Generation credits associated with NCEMPA owned assets
 - Each month the power agency runs them for load management peak shaving. Any O&M cost is backed out, and any credits left over for reducing the coincident peak are dispersed out to the members.
- Rider 7A: Power Agency Services (PAS) charges
 - These are a lot of support services, including NERC and CIRC, compliance activities, APPA dues, legislative, financial and legal support including territorial

rights

- Rider 7B: Renewable Energy Portfolio Standards (REPS) compliance costs
 - This is compliance cost associated with hitting our annual renewable energy targets.
- Rider 8: Debt Defeasance Support Charge
 - In 2015, Duke took back over control of our generation assets. There was some debt left over that the power agency spread out over the course of 10 years to the members. Rider 8 was our portion of the debt. The debt was satisfied at the end of June 2025.

Key factors contributing to the upcoming cost increase include:

- Delayed retirements of coal-fired generating units
- Addition of new natural gas-fired generation scheduled for 2030
- Increases in fixed operations and maintenance costs
- Reduced energy demand across the Duke Energy Progress system
- Lower market natural gas prices

There are several significant changes that would occur in 2026 that affect the overall power supply costs.

These included:

- Expiration of Rider 1-22 in March 2026 (\$33,650 x 24 months)
 - When we receive our March wholesale power bill, that would be our last and final payment of Rider 1-22, this is a true-up cost. A few years ago, the true-up costs got to be so large the members elected to spread it out over 24 months.
- Expiration of Rider 1-23 in September 2026 (\$30,165 x 24 months)
- Rider 8 debt bond released in April 2026, resulting in a credit of approximately \$297,000
 - He stated he mentioned the debt was paid off, this was a big celebration with the power agency last July. As part of us paying off that debt, there was a debt bond release. For our portion, we would receive a credit of \$297,000 in April
- Rider 1-24 will be split into two separate payments:
 - April 2026: \$240,000
 - July 2026: \$240,000
- Implementation of the FR-11 wholesale rate beginning April 2026
 - FR-11 means Full Requirements, and the 11th iteration of this rate.

The actual impacts to the Town were shared. The notice stated it was a 4.5% increase. Based on an analysis, Mr. Proctor took the 2026 rate increase details and applied 2025 billing determinants, energy, and demand. He stated the net impact on the Town's wholesale power cost is around 2%. This estimate does not include the impacts of weather variability or customer-driven load growth. The Town's power cost may be going up, but its more driven by our load growth and not this rate increase. Our Electric Rate Design Consultant, 1898 & Co., is conducting a more comprehensive long-term financial analysis to support future planning and forecasting efforts.

Current projections from ElectriCities indicate that wholesale rates may increase by another approximately 5% in 2027. If approved, the proposed Duke 1U merger is expected to mitigate this increase and provide greater rate stability over the next five years. He explained the Duke 1U merger. He stated on the eastern portion of the state, Duke operates as Duke Energy Progress and on the western portion of the state it's Duke Energy Carolinas. They are planning

to merge and if it comes through, it should mitigate that 5% wholesale power cost increase next year.

Mayor McLeod asked for clarification of the increases; 2% short term and 5% increase next year? Mr. Proctor stated yes. Mayor McLeod stated that is 2% more than what he would like to see, if anyone has been watching the national news, you see the increasing cost of electricity everywhere and North Carolina is no different. We need to figure out how moving forward, to do something that would help support the reduction of the utility cost.

Mr. Proctor stated of the two primary elements of the wholesale power cost, the coincident peak demand accounts for 2/3 of our bill every month and his question is how to get that down. He stated there are a lot of good ideas. The Town currently has about 5.5 megawatts of generation that is allocated through the power agency for the purpose of load management and peak shaving. Until recently, we have not taken advantage of that generation. The biggest portion of that is 3 megawatts of generation is coming online later on this year at Sam's Branch and would be a tremendous help to the Town, we could start running those generators. There is a generator at the Police Department, at Town Hall, and at Little Creek. He stated there is a plan in place to get those back online for peak shaving. He stated he is very optimistic we would be able to lower some of those costs.

Council Member Anderson stated having those generators working like they need to work, we could run those if needed at a peak point and shave the usage down? Mr. Proctor stated yes, there is potential to shed about 10% of our annual wholesale power cost.

Mr. Cappola stated from a load reduction perspective, ElectriCities monitors the usage across the system. When it looks like it's getting to the point where we may hit that coincident peak, they send a signal out which would allow us to drop several buildings with the systems we have invested in, we could significantly drop that load to get off the coincident peak. He stated there are probably upgrades that need to be done to some of that equipment.

Mr. Cappola stated the notice states the increase would be 4.5% but Mr. Proctor is trying to show the net impact to us is about 2%. 1898 and Co. would be at the April work session to present their initial findings on the rate model. Last year, they proposed 2.5-3% increase for this year; we are hoping with this unforeseen 2% increase that we can keep it somewhere in that range.

Mayor McLeod stated the citizens want to know the "hows" and the "whys". He suggested we work with the Communication Team to talk about electric rates and why they are the way they are, but also show them how much quicker our repair and response times are. Mr. Proctor stated that is the benefit of public power. He stated we are still trending below Duke on our residential rate, not quite as competitive on our commercial rate, but are working on it.

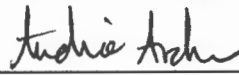
6. ADJOURNMENT

- a. With nothing further, the meeting was adjourned at 4:32 p.m.

Motion To Adjourn

Result:	Passed 3-0
Mover:	Ruth Anderson
Second:	Gretchen Williams
Yes:	Ruth Anderson, Amanda Underwood, Gretchen Williams
No:	None
Absent:	Andria Archer, Porter Casey

Duly Adopted by the Town Council on Monday, March 16, 2026 while in regular session.



Andria Archer
Mayor Pro Tem

Attest:



Heidi L. Holland, MMC, MCCMC
Town Clerk

