

March 8, 2022
MINUTES OF REGULAR MEETING
TOWN OF MAIDEN

The Maiden Town Council met on Tuesday, March 8, 2022, at 6:00 p.m. for their regularly scheduled meeting, held in the Town of Maiden Council Chamber.

Present for the meeting were, Mayor Max Bumgarner Jr., Mayor Pro Tem Beth Rudisill, Councilmembers Bob Sigmon, Danny Hipps, Cameron Ramseur, and Holly-Crafton-Lay.

Also, present were Town Manager Todd Herms, Town Attorney Scott Conrad, Town Clerk-HR Officer Wanda Barnes

Others attending: See attached sheet.

The meeting was called to order at 6:00 p.m. by Mayor Max Bumgarner Jr.

The invocation was given by Councilmember Cameron Ramseur

The Pledge of Allegiance was led by Councilmember Cameron Ramseur

4. Approval of the Agenda

MOTION WAS MADE BY MAYOR PRO TEM BETH RUDISILL AND SECONDED BY COUNCILMEMBER BOB SIGMON TO APPROVE THE AGENDA AS PRESENTED. MOTION CARRIED UNANIMOUSLY 5-0.

5. Approval of Meeting Minutes

MOTION WAS MADE BY COUNCILMEMBER HOLLY CRAFTON-LAY AND SECONDED BY COUNCILMEMBER DANNY HIPPS TO APPROVE THE 2/82022 REGULAR MINUTES AS PRESENTED. MOTION CARRIED UNANIMOUSLY 5-0.

6. Citizen Requests & Comments

A. The Town of Maiden Business Association President, Mrs. Samantha Saunders states, the Business Association. April 9 from 10 until three we are going to have our maiden mystery egg event. It's an event where children and adults can walk around to the participating businesses and get treats whether they're candies or small toys. While they're at the businesses they can register for door prizes. There will be multiple prizes. The grand door prize will be a gift card to Food Lion in the value of \$200 or more. We are going to vote this Thursday for the real value. Last year the value was \$200. We suggest increasing the value for inflation.

Before the next council meeting is the first Jive after five. That is April the 7th and it is gospel night. The performers will be the trumpet quartets. The Business Association is actively seeking an organization to prepare food for that night, and it will be a small crowd. It is all donations. We don't

take any of the money or charge a fee.

Anna Dellinger states, on April 5th the Chamber of Commerce asked if Maiden would host an event where all the local businesses can come together and network. It is from 8:00 to 9:30 on April 5th.

I am Lori Walker and I just have a question from last month's meeting. It was brought up about the handicapped areas at the Recreation Center. I was told that signs would be put up. The EV area has taken over parking for the downstairs going into the gym. It is a problem and I have not seen any signs. I was just there Saturday. Town Manager Mr. Todd Herms states, I don't think the new signs have come in. We are having supply chain issues. They have been ordered and we will put them up as soon as they arrive.

Lori Walker states, I notice that there are two zoning items on the agenda. I want you to remember that we are a small-town community. We cannot do anything about what was done by the previous town council, but we can watch what this council does. We don't want to be Sherrill's Ford. I want you to remember that when you are doing the rezoning. The citizens are watching.

Tamika Howell states, I live on 518 West Pine Street. My concern is the varies speed limits on West Pine Street. Once you enter West Pine Street, it has 20 MPH. As you exit it is 35 MPH. Cars are going way beyond those speed limits. That is a small narrow road, and you can barely get two vehicles down that road. I witness everyday how one vehicle must pull over for the next car to come by and encounter the neighbor's mailboxes. The concerns have been shared with the Maiden Police department. They came down and looked at it. It was brought to my attention that the speed limit will be investigated, and the sign will be replaced. I would like to know where we are with the sign, because I do not feel comfortable being in my front yard. My grandkids can play in the backyard, but I would like to have the privilege to play in the front yard. Mr. Todd Herms the Town Manger stated that the police department did investigate the signs. We did research the minutes and found it to be an error. We will replace the signs and correct that error. They must have reflective material and they have not arrived. The new speed will be 30 MPH when council voted on it. Councilmember Hipps states will it take and action to the speed limit changed to 20 MPH. Mr. Herms states, it would take an action by council to change it again. Historically we could vote on it Tuesday and have signs up by Friday. Councilmember Hipps states, Bryan is there three different speed limit signs down there? Can we take the two wrong signs down and leave the right sign up? Mr. Duckworth states, we need to have signs going in both directions. Ms. Lori ask, are you going to change it to 20 MPH? Mr. Hipps states, that area was designated for 30 MPH. We will need another action from council to change it. Mr. Herms states, it's a process and the police department will have to complete another study. It isn't just a simple change. Devore Henry states, I have been down that street and I suggest that council change that speed limit to 20 or 25 MPH. When you come in by the school, it is 20 MPH. You cannot even drive 30 when you take that first left. Mr. Herms states, we are in the process of getting the information for council.

I spoke with Wanda and received the packet. The packet was 141 pages. I suggest that you put please contact the Town Clerk if you would like to be added to the Sunshine email list to receive the packet. That was a large packet to read before the council meeting. Ms. Janice Holloway states, I live in the Wendover development. I have concerns about the collection of the trash. There wasn't a complete pick up on Monday. I called to the town hall about 4:30 on Monday. They told me to leave it out and they would pick it up on Tuesday. They came through, but I still have garbage. On SpringHill lane and Foxwood drive there is still garbage cans. Town Manager Mr. Todd Herms state, if it makes you feel any better, I am in the same boat, and we are addressing it. Councilmember Danny Hipps states, is this habitual? Ms. Holloway states, no it isn't. Mr. Herms state, my trash gets picked up at 10:00 am in the morning, this week it was picked up at 6:05 pm. Ms. Holloway states, my trash was picked up at 6:45 pm.

Ms. Porsha Ramseur states, I reside at 521 South D Ave. My concern today is the electric. I am new to Maiden. I came from a 2000 square foot home. It was up and downstairs. I never paid a water and light bill over 300 dollars. This is the third month that my light bill has increase a hundred dollars. I called on February and spoke with Joe. He told me there would have to be two other complaints. I did not hear anything. I received my bill today and it is \$545.00. Mr. Herms states, the average temperature for the last billing cycle was 41 degrees. My heating bill was \$223.00. It was a cold month, but \$500.00 is extreme.

Mr. John Williams states, 3838 US Highway 321 South. This is Women's Day. I want to wish the Town of Maiden a happy birthday. We should be proud of this town. We should be satisfied; we do not have people that carry guns and shoot people. We had a food truck event and not a person got arrested. It is a great town and people make the town.

Mr. Danny Kiser states, I live at 1030 East Main Street, Maiden. I want to acknowledge Holly and Cameron for voting on the Architect for the fire department. We should have an Architect that only design Fire stations. It was a unanimous vote. How it became unanimous concerns me. Three of you did not vote. Two of those three, I voted for. We elected you to vote one way or the other. Danny, you said, you hadn't made up your mind. You should have asked to delay the vote, if you weren't for sure. I served on a council in another town and attended 48 regular meetings, special and budget meetings. There wasn't I time that I did not vote. That is what I expect out of the council. When Ronnie Williams left, he states look to the other councilmember and you will get good wisdom from them. I hope that isn't what he meant. For you to just sit there. There was an article that came out in the Hickory newspaper to give incentives to the employees. Maiden did not do that. We upgrade the WIFI and bought bleachers. Mr. Herms stated, what was in the article wasn't correct. Mr. Kiser states, I will speak more when I get the correct article. When you have money and you can give it to the employees, that is your biggest investment. I think the employees should have received something for working during the crisis. Councilmember Hipps states, the town of Maiden did things for the employees. We gave them additional vacation and other benefits should they or their family have covid. Regarding the fire department vote, it was an intense and confusing piece. I am in favor of my vote. Mr. Kiser states, you cannot believe everything you read in the paper.

Ms. Leslie Williams states, I reside at 106 chuck drive. My concern is electric, and my neighbor Ms. Moss ask that I speak for her as well. I am a widow, senior citizen and on a fixed income. When they see something with the electric that isn't normal can they inform the citizens? Mr. Herms states, we just purchase a system to help assist us with that and look at different meters. If you go outside the perimeters, it will alert you. We haven't had a rate increase in eight years. I do not think it is a rate issue. I think it is something else. Please stay after the meeting and I will get your information and investigate it.

Attorney Conrad states, I would like to give an update on 509 East Main Street Property. The house is in the process of being foreclosed by the county for delinquent tax. That matter did go in front of the court on February 22, 2022. It was complicated because they could not identify all the errs and who had an interest in the property. The judge ordered that it be foreclosed. It should be on the next sale date. They do not have that sale date yet. It is in the final stages of being sold. Mr. Herms states, is it an upset bid? Attorney Conrad states, it is an upset bit. Mr. Herms states, this is the house at Cornerstone Church.

Councilmember Ramseur states, I think the food truck event was a great success. That was a great job, Blake. I would like to thank the Police, Fire, and volunteers. You do a great job. I been working with a county group on a Juneteenth celebration. Different cities are hosting events for Juneteenth. Newton is hosting a parade. Maybe Maiden will be able to host an event. I spoke with Todd, and he has a great idea. Mr. Herms states, I passed it on to Blake and Anna. We will pass it on to council,

but in this short time frame maybe we can have food truck and a gospel group. Cameron, Anna and Blake will try to come up with something by next month.

David Fish states, I live at 606 East Klutz Street. I have called the Maiden police on several occasions for the people that live directly in front of me. They are parking directly behind my driveway. It is too narrow for the cars to park on the street. I hate to keep calling the police department. It is too late if a child runs out behind one of those cars. If they have a driveway, why don't the use it.

7. Consent Agenda

A. Finance Officer's Report February (Motion)

MOTION WAS MADE BY COUNCILMEMBER BOB SIGMON AND SECONDED BY COUNCILMEMBER HOLLY CRAFTON-LAY TO APPROVE THE FEBRUARY FINANCE OFFICERS REPORTAS PRESENTED. MOTION CARRIED UNANIMOUSLY 5-0.

8. Public Hearing Open: 6:28

A. ZMA 1-2022 JW Abernathy Plant Rd. Rezoning

Planning and Zoning Director, Blake Wright states, Rezoning for roughly 4 acres and it is off JW Abernathy plant Rd and business 321. This parcel belongs to Nelson Knipe and Kirk Wintz. He is a local developer that has an option to purchase it. These four acres, they have requested a rezoning from M1 which is our industrial manufactory to C2 which is our general commercial primary. The difference between the two is the allowance of residential M1 industrial, does not allow for any residential. Whenever the application was initially filed for this rezoning Mr. Wintz was interested in doing single family duplex or two family and storage units. He since decided that he did not want to do the storage units, but would proceed with the C2 zoning, since he had already filed application fee. The C2 does allow him to do residential uses under that use. The property front is on JW plant Rd, but it also has frontage on 321. Nearby uses in that area to the north is single family residential, to the east is single family residential and duplexes across business 321. I'm sorry this is to the west. To the east is, Carolina nonwovens in the South is also residential. The review criteria that council is required to consider, is whether or not it is consistent with the goals of the comprehensive plan and if it's consistent with the plan, the proposed amendment is not inconsistent with the comprehensive plan. It does show the portions of this area as being all residential commercial and industrial. The proposed amendment whether or not it's consistent with federal and state laws and regulations. The next would be whether or not we can supply this development. We do have a water and sewer portions of the plant Rd and we also have utilities along business 321 that would be able to serve this development. The amendment whether or not it's beneficial in public health safety and welfare and in the public interest. The proposed amendment would allow for use that is compatible with the characters land location provides a zoning buffer between the manufacturing and some of the reservations that would further contribute to the investment in Maiden. There have been two inquiries regarding this map amendment from citizens in the planning and zoning board of adjustment recommended unanimous approval and found it consistent. Councilmember Danny Hipps states is there like or similar housing on three sides. Planning and Zoning Director Blake Wright states, yes. Councilmember Cameron Ramseur states, switching it over to C2, would be houses or business. Mr. Wright states, yes. Councilmember Hipps states, have the developer mention, placing a commercial business there? Mr. Wright states, not since deciding on the storage. Kirk Wintz 1102 Orchard Mill Court states, . We plan to build residential properties, small spec homes, starter homes or duplexes. That is our plans for this property. I don't think it makes sense to put commercial in that particular spot. The lot is oddly shaped on one end. If you look at the South side of the property it comes to a pretty short point. I think you can go somewhere between 18 and then you get one on 321. We haven't gone to the expense of having a surveyor come out and start cutting a lot. It is eight to ten along JW. I

have Matthew Road and then one on 321. Based on the zoning it could be 12 houses or it could be a slightly smaller number of duplexes. I don't remember off top my head, but there's a size requirement in square foot for a single-family home and in a size requirement in square foot for a lot size for a duplex.

John Williams states, we need people to live in these places. I was told that the rent was going to be around \$1000 a month for apartment. You can buy a house for that. We need to keep the town the way it is.

Allen Hatchet 3470 Hwy 321 south states we just had an adequate number of rezoning requests go through that's going to clog the neighborhood and the highways. We request that you vote for the people and not for the town's perspective. This time, vote no.

Devore Henry states, I spoke with the planning and zoning board and for the citizens that lived up near JW Abernathy, the only concern was with the C2. It was going to be storage buildings. They just decided on unit duplexes. The individuals are looking for residential, basically but they know C2, could be residential or businesses. Closed: 6:45

9. New Business

A. Electric Cost Service Review (Motion)

Public Works Director, Bryan Duckworth states, electricity was contracted by the town of to perform a cost of services studies for electrical utility. The cost-of-service study is going to look at the true cost of running our electrical utility over the next five years, including capital outlay and system maintenance. The second thing we were wanting to accomplish is to verify each rate structure. The true cost of getting the services to those customers. The third thing we were wanting to accomplish was to simplify our current rate structure looking at the possibility of combining some rate structure and making it easier for customers.

Rick vandermass from electricity, the supervisor of breaks and electricity in North Carolina states, I'm here to introduce Mr. Mark Beauchamp. A cost-of-service study is a very in depth and very data intensive exercise for any town to accomplish. Mr. Mark Beauchamp is the president of utility financial solutions to present the results. Town Manager Mr. Todd Herms states, this is first time we have had a service study done in 17 years.

Mark Beauchamp states, I got degrees in water purification technology accounting. I'm a CPA and I have a master's degree in business. I started my consulting firm after working for a large consulting firm in 2001 and we've done work in 44 states. Probably have done over 1000 elective cost service to date. We also teach the course; it is from Eric and public power association National Association regulatory utility commissioners on how to do long term financial plan.

There are basically 3 components, the true cost of running our electrical utility over the next five years, including capital outlay and system maintenance. the first one is a long term financial are you meeting debt service obligation. You are debt free, so it's not issue setting money aside for the replacement of infrastructure. I'll go through these and somewhat details, so you understand when you look over them in the next five years. How do you compare those targets and how can we keep the utility financially stable while still minimize any rate impacts? The first most important piece is the projection. The second thing we do which is very time consuming, look at how much it costs each customer to provide service. Every customer is different. We look at how customer classes interact with their cost structure. We develop and allocate ticket residential costs. The third part which is really most important here. After we do the first two to financial projection and the cost-of-service review we look to the governing body to get direction on the rate. Which is how we're going to impact customers. You will know how we are going to adjust these rates moving forward to meet your objectives, keep the utility financially stable and minimize any rate impacts. That is my main objective. When we build a long-term financial model, probably one of the first thing we do when you look out long term you have to build these models based on assumptions moving forward. If

you look at these assumptions that we, the first one is inflation. How is the inflation going to change? This past year, I think it was around 7 1/2%. How are we going to project that going forward? Nobody really knows, but we did assume in our modeling that inflation is going to stay high next year at 6.9%. After that the historical 10-year average, inflation is about 2.2. We projected it to stay a little higher than an average at 3%.

Now we hope that those assumptions are reasonable then the change in growth. The growth of the community, we assumed a 3.8% growth, followed by three percent 1.81-point 3 1/2 percent growth rate. That is how much additional sales you are going to get or additional customer growth. The next one is purchased power cost came from electricity. You know we are projecting costs to decrease by 2.2% in 2023. You can see the projected changes that we're looking at for post pay cost and that represents your biggest component of electric cost. There is a cost of power supply. We are probably about 75 to 80% of the total cost of electricity. The purchase power next one is a capital improvement plan. You are aware of this; you have an older aged infrastructure. It is about 68% appreciated in other words. There hasn't been as much reinvestment. The average system is about 50% appreciated, so that leads us to believe that probably moving forward you are probably going to see some larger than average capital improvements. This projection shows that you know you are looking at \$217,000 in 2023 and \$365,000 in capital expenditures of 578 then dropping back down. Probably a more normal level for you is about 45 and 80,000. We don't have the cash in those servers to fully fund. You are debt free, so it's not a problem. We're looking at a debt issuance about half \$1,000,000 to fund that 578,000 capital plans in 2025. These are the assumptions that we use to build our financial projection model. Now this slide is a summary, although the results of the projection now.

The three key targets we look at to assess the financial stability of the utility rate now. What you're seeing here is the financial projection with no rate adjustment. We do nothing with the rates but leave them the way they are. If you look at the cash balance it is projected to decrease to \$98200 and fall negative in 2026. The recommended minimum cash was how we determine that, but we recommend that the utilities should maintain adding minimum of \$2 million of cash reserves. To explain why that is the second target, we look at that covered ratio right now. You are debt free utility, so it's not an issue. I had that \$500,000 debt issue, once it's 2025. The debt coverage ratio issue electric utilities. They typically come with certain covenants. You have to maintain a 1.2 coverage. What this is showing, is that we do nothing with rates. We do that capital plan. We are going to have a negative test coverage ratio. We want to establish a balance between the financial stability of utility, rating packs and customers. When we establish these targets, we will establish a minimum boundary. We have to maintain so much cash. We have to meet our bond covenants, that's our minimum coverage requirements. Our third target is the upper boundaries, is what we call the target operating. The target operating income looks at your financials, more like an accounting. It says we have to fund appreciation. We have to fund the replacement of infrastructure. That's because of inflation and that infrastructure is going to cost more in the future. We are not for profit; we have to make money to break even. If you put \$1,000,000 asset in service for the 20 years, you depreciate \$50,000. It's a theoretical wear and tear on that infrastructure. At the end of 20 years, we have theoretically recovered \$8 million to replace that asset. The average electric infrastructure cost has risen 3.1% in the last 20 years. We apply the structure say this should be your theoretical operating income. That is where you see that \$200,000. We are looking at operating losses \$775,000 rising to almost 1.1 million. Service tab, the first one is minimum cash in many ways the most important target. We have to make sure that you have cash so you can pay your bills in a timely fashion.

We look at working capital, timing difference when you pay bills and money from customers that cash has to be in the reserves at all times. We look at capital improvement programs. How much cash do you need, so you can fund your capital plan and also if a catastrophic event would occur, bad ice storm, wind or hurricane? We want to make sure that you have enough cash to fund an entire catastrophic event, but enough cash and reserves to start the process until adequate financing could be arranged. You can see that our calculation came out about \$1,000,000 for \$2 million minimum cash. That we need to maintain, and we're projected to fall below that.

The second one is debt covered ratio. You are debt free, so it's not an issue. In theory when you issue debt

electric utilities, normally issue revenue bonds not general obligation bonds. There is a difference in general application bonds. They are secured by the property taxes of the community and revenue bonds are secured by the revenue of the electric utility. Your electric utility oftentimes financing requirements are so extensive that they would use up most the bonding capacity of the community and typically issue revenue bonds. To do that, they would come with requirements. They are ones who are giving you the money. It is debt coverage, that coverage is usually about 1.2 coverage. and what that means is the cash that's generated from operations has to be 20% more than your debt service payments. Target operating income, we're looking at how much money you need to earn basically to break even. We have to get coverage, but we don't want to exceed that target operating it. If we exceed, we're overcharging customers. We are trying to find that balance. What we see is a rate track of 3.4% annual rate adjustments to try to balance the impact on cost with the financial stability of utility. By doing this, it's on the right-hand side. I'm going to cash balances. They're positive now, actually we're in 2027. We are right at our minimum cash reserves. The debt coverage ratio, which before was negative. We are actually very good. Your utility target operating income, we are still negative in the first three years. We hope to go positive in 2026. We never see that target operating income, so we're looking at 3.4% adjustments in all the different classes. I'm going to come into next 3.4%, it is not a 3.4% increase for residential. I would recommend something closer to 1%. The overall revenue increase of 3.4%.

The cost-of-service part is the more extensive part. The more time-consuming part. Talk about the very bottom of it which is 11.6% on this slide it says the overall increase should be 11.6%. That's to achieve the upper boundary of the target operating income. It's not what we're recommending. If the average increase should be 11.6% then how does residential compare. Residential show minus 1.9, so the residential class is subsidizing in the classes. These major classes residential for minus 1.9 small commercial low demand minus 9.9 another major class small commercial increases 7.4 still less than the average. let's go right down to the bottom. This is where the issue is. We look at the CP counts CP1,CP1A2, and three you can see that the increases of 37 percent 164%, 94 percent 42%. This is how much it costs the city to provide service. Town Manager Mr. Todd Herms states, the CP rates or GKN, Lawrence Lumber, and the bigger users. Historically, they haven't been like this. They have had to shut down and reduce. They are not using power as they have in the past. That is one of the reasons why we need this study. Their drop off in power use has been so dramatic. Mark Beauchamp states ,we want to make sure that the study reflects the rates. Commercial and residential is paying what they should. When you see that eleven percent that is just for the businesses. The residentials actually show a 1.9% decrease. We are not raising the residential rates; we're looking at straightening out the commercial and the very large industrial customers.

We develop strategy to move them closer to what it costs to provide them service, so we don't impact the residentials and small commercials as much and yet move them in that direction and maybe over time correct. We are looking to increase residential rates by 1.1% each year for the next five years, but to give this these large customers an 8 1/2 percent increase every year for the next five years. When it comes to rate adjustments, increases it less than 5% a year. Customers tend to view them more as inflationary type adjustments. You will get some complaints, but for most parts they are accepted as increases between 5 and 10%. They tend to be acceptable more to like the residential small commercial. Where they are not acceptable to is the large industrial customers. They tend to call and complain. You always try to avoid double digit rate increases. Those are what gets everybody in trouble.

We want to simplify it, so the customers understand it and one of them is in your residential. You have senior citizen, rural residential and they have all these different residential rates. For the most part the cost to service them all about the same. What we are looking at is combining these rates over the next five years. Simplifying them in two ways and making those four rates combinedly down to one. Taking the rate structure, if you look at how residentials are charged they have these blocked rates the first 350, is at 10.8. then it drops at \$0.10 and then 9.3, if they're over 1300. What we are looking at is, just flatten the rates. In five years, set everybody's rate at 10.6 cents. They use 100 kilowatt hours or if they use 1000 kilowatt hours or 2000 every unit would be priced at that 10.6. We are looking at rates simplification and combine a lot of the rates. For example, you have commercial and industrial rates. We are looking at combining them into the appropriate rate classes. Simplifying it for staff from a cost-of-service standpoint. That is the correct

way to do it and it makes it a lot easier for customers. The staff would not have a hard time explaining it. We want to simplify the rates and make them more understandable. Town Manager, Mr. Todd Herms states, we have a lot of people in the room and some people do not understand. If you don't understand what the demand charge is. It is for a commercial or industrial business during the month, whenever you put too much strain on our system. Whatever the demand is, it's what you get charged for the entire month. That is not a home. When they hit that demand, it can drastically affect their bill. What we have done, especially with our large customers when they come in, they don't turn everything on at one time. When they come in, over 10 or 15 minutes so there isn't a strain on our system and that demand charge goes down.

The customer charge and probably the most misunderstood charge. The fixed monthly service charge. You currently charging \$18.52. People don't always understand why they have a fixed charge. The reason utilities, like electric utilities for example, have a fixed charge it is because when a customer has a meter installed on their home. The electric utility had the cost to install that meter. They also have the responsibility to repair it, to replace it, to read it every month, and send the customer a bill. They had to install the service drop. Unquestionably, most people do not argue with what I just said. What is argument we still need to have a wire that runs from the substation to the home. Without that wire we can't deliver electricity. The question is, how much of that wire should be allocated to the customer. How much of the usage component? We go through an analysis, called a minimum system analysis. In theory, it is how much would it cost to build a distribution system. If every customer used a single kwh of electricity. That infrastructure costs gets rolled into that customer charge. Customers don't use one kwh, they use more, creating additional demands on the system and more expense. That additional charge gets rolled into the usage component. The reason it's important to charge the appropriate customer charge is because of commission. I think Michigan is a great state to live in, the three months of the year. People like this spend the rest of their time in Arizona and Florida. If we don't charge the proper customer charge. People who go somewhere else in winter months are being subsidized by the year on repairs. It's a fairness issue by having the appropriate customer charge. You are actually really good. You are in 1852 and says you should be 1960, only a dollar off. Most of the time, I show \$5 or \$7.00. Your customer charge is really good, but we do need to tweak it a little bit. I want you to understand what that charge is. That is a charge that you can be questioned about.

We need to adjust revenues increase revenues by 3.4% to meet our key financial targets to maintain the minimum financial stability for the utility. At the same time what that 3.4% increase means to residential is a 1.1% increase. Increase by classes a 1.1 per residential and about 8 1/2 percent of a large customers. Town Manager Mr. Todd Herms states, historically we have been very lucky the last eight years. We have had enough growth to offset any inflation that we saw. Our rates have stayed flat for eight years. We haven't had a single increase in eight years. Simple fact is, over the last two and a half years usage has gone down in some of our major customers. If we do not do anything, it's going to drastically affect us. If you're not selling it to commercial, it's going to drastically affect residential. It's time for us to implement a rate study that's more indicative of what we're facing today. When the world stopped, I guess it was March of 2020 I want to say we lost \$750,000 in six weeks. That is how important commercial and industrial is to our system. I didn't clarify that this is just a study for information purposes only tonight. We're not voting on any rate structures.

Mark Beauchamp states, the most important thing for the electricity service is not price return, it's the reliability of service. We will get back with you on a design rate with a 5-year rate track for the next five years, with three point 4% adjustments. The CP customers are going to be between 8 1/2% and the residential is closer to 1.1 point 1%.

B. Conflict of Interest Policy (Motion)

MOTION WAS MADE BY MAYOR PRO TEM BETH RUDISILL AND SECONDED BY COUNCILMEMBER BOB SIGMON TO APPROVE THE TOWN CONFLICT OF INTEREST POLICY. MOTION CARRIED UNANIMOUSLY 4-0 COUNCILMEMBER DANNY HIPPS ABSENT FROM CHAMBER 7:25 PM.

C. Award of Cemetery Contract (Motion)

MOTION WAS MADE BY COUNCILMEMBER DANNY HIPPS AND SECONDED BY COUNCILMEMBER BOB SIGMON TO APPROVE THE CEMETERY CONTRACT TO R&B LAWN CARE. MOTION CARRIED UNANIMOUSLY 5-0

10. Old Business

A. AIA Agreement with Architect (Motion)

MOTION WAS MADE BY COUNCILMEMBER DANNY HIPPS AND SECONDED BY COUNCILMEMBER HOLLY CRAFTON-LAY TO APPROVE THE AIA AGREEMENT WITH ARCHITECT. MOTION CARRIED UNANIMOUSLY 5-0

B. Market Comparable Pay Study (Motion)

Town Manager Mr. Todd Herms states, we do a pay study once every three or four years. Mr. Hill has the pay study data. He and Wanda has worked well together to bring us this data.

Mr. David Hill states, it was this time in 2018 that I was here presenting the results of that comprehensive classification study. A comprehensive study is comprehensive to the point that a lot of employee involvement, filling out a 12-page questionnaire or explaining to me every detail every element of their position. I spent time on site interviewing employees and looking at job descriptions. What we're doing over the last month or so is just the position market comparison component of that comprehensive study. There have not been significant changes in enough of your classifications to award another comprehensive study. Wanda sent to me the data spreadsheet of the workforce when I first started this market comparison. This is my view of the workforce if you have my definition of a mature workforce. My definition of a mature workforce is you have employees who have been working with you between 8 and 10 years. I want an average and if the population size is large enough you should be able to find about 2/3 of your employees in the middle 1/3 of that bell curve. I take a look at how long employees have been working for you, so you've got an average year of service of 7.7. I don't see anything alarming in that chart. The chart pretty much looks like the same chart that I would see in any local government. Half of your employees you got 50% of your employees who have been with you less than five years. A career ladder initiative were employees have to meet objectively identified criteria to advance. Performance evaluation be put together performance-based career ladder. Allow advancement opportunities for employees. I projected that most of that data is going to increase 3% on July 1st. I'm hearing in the market that's probably going to be closer to four or 5% on average. I'm working with one local government that has already committed to a 7% cost of living. The bottom bullet is because in this market comparison not all positions moved up. You did have some positions that were right where they needed to be. The other recommendations within the adjustment of their salaries are to also include a 3% cost of living increase. That is associated with the market study, whichever of those is greatest.

Town Manager Mr. Todd Herms states, the study is done to make us competitive in the market.

MARKET COMPARABLE PAY STUDY – TABLE TO NEXT MEETING. CARRIED UNANIMOUSLY 5-0

- C. PARKING AT 717 E MAIN ST. (Motion)

PARKING AT 717 E MAIN ST. – TABLE TO NEXT MEETING. CARRIED UNANIMOUSLY 5-0

11. Ordinance/Resolutions

- A. Ordinance #20-2022 An Ordinance to Amend the FY 2021-2022 Budget in the General Fund to the Water Fund (Motion)

MOTION WAS MADE BY COUNCILMEMBER DANNY HIPPS AND SECONDED BY COUNCILMEMBER BOB SIGMON TO APPROVE ORDINANCE #20-2022 TO AMEND THE FY 2021-2022 BUDGET IN THE WATER FUND. MOTION CARRIED UNANIMOUSLY 5-0

- B. Ordinance #21-2022 An Ordinance to Amend the FY 2021-2022 Budget in the General Fund to the 56 CDBG Grant (Motion)

MOTION WAS MADE BY COUNCILMEMBER DANNY HIPPS AND SECONDED BY COUNCILMEMBER CAMERON RAMSEUR TO APPROVE ORDINANCE #21-2022 TO AMEND THE FY 2021-2022 BUDGET IN THE GENERAL FUND TO THE 56 CDBG GRANT. MOTION CARRIED UNANIMOUSLY 5-0

- C. Ordinance #22-2022 An Ordinance to Amend the FY 2021-2022 Budget in the General Fund to the 56 CDBG Grant (Motion)

MOTION WAS MADE BY COUNCILMEMBER DANNY HIPPS AND SECONDED BY COUNCILMEMBER HOLLY CRAFTON-LAY TO APPROVE ORDINANCE #22-2022 TO AMEND THE FY 2021-2022 BUDGET IN THE GENERAL FUND TO THE 56 CDBG GRANT. MOTION CARRIED UNANIMOUSLY 5-0

- D. Ordinance #23-2022 An Ordinance to Amend the FY 2021-2022 Budget in the General Fund to the Town Hall Capital Outlay and Equipment (Motion)

MOTION WAS MADE BY COUNCILMEMBER DANNY HIPPS AND SECONDED BY COUNCILMEMBER HOLLY CRAFTON-LAY TO APPROVE ORDINANCE #23-2022 TO AMEND THE FY 2021-2022 BUDGET IN THE GENERAL FUND TO THE TOWN HALL CAPITAL OUTLAY AND EQUIPMENT. MOTION CARRIED UNANIMOUSLY 5-0

- E. Ordinance #24-2022 An Ordinance to Amend the Town of Maiden Zoning Map (Motion)

MOTION WAS MADE BY COUNCILMEMBER BOB SIGMON AND SECONDED BY MAYOR PRO TEM BETH RUDISILL TO APPROVE ORDINANCE #24-2022 TO AMEND THE TOWN OF MAIDEN ZONING MAP. MOTION CARRIED UNANIMOUSLY 5-0

- F. Resolution #7-2022 A Resolution by the Town of Maiden, objecting to the Waiver or Remission of Court Costs or Fines that may be Due to the Town. (Motion)

MOTION WAS MADE BY COUNCILMEMBER DANNY HIPPS AND SECONDED BY COUNCILMEMBER BOB SIGMON TO APPROVE RESOLUTION #7-2022 OBJECTING TO THE WAIVER OR REMISSION OF COURT COSTS OR FINES THAT MAY BE DUE TO THE TOWN. MOTION CARRIED UNANIMOUSLY 5-0

12. Adjourn (Motion)

MOTION WAS MADE BY COUNCILMEMBER BOB SIGMON AND SECONDED BY COUNCILMEMBER HOLLY CRAFTON-LAY TO ADJOURN REGULAR SCHEDULE MEETING AT 8:29 MOTION CARRIED UNANIMOUSLY 5-0

Respectfully Submitted:

Wanda Barnes, Town Clerk

Max Bumgarner Jr., Mayor

ATTEST:

Wanda Barnes, Town Clerk