



**TOWN OF AYDEN
GOVERNING BOARD MEETING
MINUTES**

September 17, 2015 – 5:45 pm (Special Called Meeting)
Ayden Town Hall Conference Room

I. CALL TO ORDER

A. Call to Order

Mayor Tripp called the meeting to order at 6:00 pm

B. Roll Call

Present:

Mayor Tripp

Commissioners Davenport, Harris, Mewborn, Ross and Skinner

Also Present:

Brandon Holland – Town Manager

Alicia Simpson – Finance Director

Sherry Scharf – Town Clerk

Phil Dixon – Town Attorney

II. DISCUSSION

Since the September 15th meeting, Utility Financial Solutions (UFS) and its representative, Mark Beauchamp, compiled additional electric rate reduction scenarios. The Governing Board may now consider rate reductions at 5%, 6%, 7%, 8.5%, 10% and 12%. In addition, Ayden's Finance Director provided FYE 2015 finance reports detailing the Town's cash position as well as balances in the general fund and enterprise funds.

Mayor Tripp led the meeting by stating that he had very closely reviewed all the UFS rate scenarios, and he still could not understand why there was such a big gap between the wholesale power rate reduction and the recommended retail rate reduction, which is being capped at 8.5%. The more he reviewed the data, the more questions he had. Other Board members questioned the data as well and stating the complexity of the scenarios made it hard to determine what a fair rate reduction may be.

Mayor Tripp stated that he called Graham Edwards and Roy Jones (both Electricities executives) to discuss his concerns with the data UFS presented and to seek their opinion. At the Mayor's urging, Mr. Jones reviewed the study results and recommendations and said that in his opinion, Ayden's rate study was focused on building a strong cash reserve in order to support long-range planning and future capital projects. As such, he feels that the ratios and rate reductions scenarios are "ultra conservative" and that the capital depreciation expense

and margins are calculated too high. For these reasons, he feels that a rate reduction greater than 8.5% could be feasible for Ayden.

Mayor Tripp invited Mr. Jones to attend the electric rate public hearing, and he stated that he would be willing to bring another rate reduction perspective to the Ayden Governing Board and answer any questions the citizens may have.

After much discussion amongst Board members, the consensus was to have Mr. Roy Jones, Chief Operating Officer of Electricities, come speak to the Board and citizens at the September 29th public hearing. Once the Board is fully informed and the citizens have given input, a decision can then be made on the new retail electric service rate for the Town of Ayden.

III. ADJOURN

Having finished the business before them, Mayor Tripp stated that without objection the meeting would stand adjourned at 6:50 p.m.

CERTIFICATION

Minutes from September 17th, 2015 meeting were adopted and certified this 6th day of October 2015 in Ayden, North Carolina.



AYDEN, NORTH CAROLINA


Stephen W. Tripp, Mayor

ATTEST:


Sherri Scharf, Town Clerk