



**Regular Work Session Meeting
Tuesday August 29, 2023 @ 5:30 PM
Cherryville Community Building
106 S. Jacob Street Cherryville, NC 28021**

The Honorable Mayor H.L. Beam called the meeting to order. Councilmember Gary Freeman, Malcolm Parker, and Jon Abernathy were present. Councilmember Jill Puett had called in to participate in the meeting. City Manager Brian Dalton, City Attorney Palmer Huffstetler Jr, Police Chief Brandon Hunsucker, Fire Chief Jason Wofford and Finance Director Dixie Wall were also present. Mike Powell from the Cherryville Eagle was present for Media Coverage.

ITEMS FOR DISCUSSION OR ACTION:

PRESENTATION FROM CHERRYVILLE ABC BOARD:

Board member James Beam and Gail Jenkins were present from the ABC Board along with Manager Allan Fraley. Mr. Beam presented the City of Cherryville with another distribution check of \$15,000. Mr. Beam stated the ABC board recently had their audit completed and was found to owe the City of Cherryville a little over \$5,000. The ABC voted to instead present the City of Cherryville the \$15,000 because of a record year in sales. Manager Fraley then gave a report of the total funds given to the City of Cherryville since the ABC store was opened. As of 2023 the ABC Board has given over one-million dollars to the City of Cherryville. Mayor Beam and Councilmembers thanked the Board members and Manager Fraley for the job they have been doing at the ABC store.

DISCUSSION OF ROAD CLOSURE APPLICATION AND FEES:

City Manager Brian Dalton presented Councilmembers with a list of neighboring towns fees for applying to close a road. The statute requires four (4) consecutive weeks of advertising before acting on the matter. Gastonia charges \$560, Shelby charges \$750, High Point charges \$500 and all of these fees include the advertising cost. Lincolnton only charges \$50 for the application,

but applicant is required to also pay advertising cost. Council will review this information and adopt a fee at the September 11, 2023, Council Meeting.

CONSIDERATION OF VEDA JACKSON, VACANT POSITION ON PLANNING BOARD/BOARD OF ADJUSTMENT. ETJ POSITION:

City Manager Brian Dalton informed Council that there was an opening on the Planning/Board of Adjustment Board for an ETJ member. Ms. Jackson currently lives on JC Dellinger Rd, which is located in the ETJ. Ms. Jackson has plans to remodel a residence on Old Post Rd and will eventually move to this location. This is also in ETJ and Ms. Jackson would still qualify to be an ETJ member of the board. This will be presented at the September 11, 2023 Regular Council Meeting.

PRESENTATION FROM ELECTRICITIES, MR. ROY JONES:

Mr. Roy Jones, CEO of Electricities made a presentation concerning a Power Purchase Agreement with Central Electric Power Cooperative, Inc that replicates a 150 MW (18%) sale of NCMPA 1's nuclear ownership interest in Catawba. There are (19) member cities in NCMPA 1 within the western portion of North Carolina. Cherryville is one of the (19) members. Mr. Jones stated that currently the agency had an excess amount of power (250MW) that they were looking to sell. The agreement with Central Electric Power involves NCMPA selling (150 MW) of excess power.

Mr. Jones went through a power point presentation showing that from 2024-2031 the agency as a whole would save 377 million. The immediate impact on NCMPA 1 would be a 15% reduction in wholesale power rates. From 2032-2043 there could be slightly higher prices and the savings go from 377 million to 123 million. The savings projected from 2024 to 2043 totaled an estimated 254 million. 2043 is the last year of Catawba nuclear plants operating license, but it is expected that the license will be renewed and extended.

Electricities ran 5,000 simulations and only 83 out of 5,000 showed that prices could go higher. The probability of lower costs after the sale to Central Electric Power Cooperative is 98% according to the simulations.

The direct impact for Cherryville is an estimated savings of 3.4 million from 2024-2031. The savings from 2032-2043 would decrease 1.1 million. This would give Cherryville an estimated savings from 2024-2043 of 2.3 million. The immediate savings in year one 2024/2025 is going to be \$498,000 for Cherryville or 14.9%.

A graph was also shown comparing NCMPA 1 before and after the sale with Duke Energy. The sale would give drastic reductions from 2024 to 2032. NCMPA 1 would fall below DEC wholesale

rate immediately upon the sale and remain below from 2024 to 2043. (Copy of the power point presentation is included with minutes)

Councilmember Puett originally made a motion to approve the sale to Central Electric Cooperative, Inc and the motion was seconded by Councilmember Abernethy. Mr. Jones then stated the motion had specific verbiage that had to be included with the motion. Councilmember Puett then withdrew her motion.

Councilmember Parker then made a motion to approve Ordinance 2023-08 The Power Purchase Agreement between North Carolina Municipal Power Agency Number 1 ("Power Agency") and Central Electric Power Cooperative, Inc. dates as of June 5, 2023, (the "PPA"). Councilmember Abernethy seconded the motion. The vote was unanimous to approve the sale to Central Electric Power Cooperative.

OTHER BUSINESS:

City Manager Brian Dalton reported that DOT approved the cross walk at Mountain and First Street and was planning on putting the high visible cross walk in as early as 8/30/23, weather permitting.

City Manager Brian Dalton said that the planning board heard a rezoning request at 518 N. Mulberry St. Councilmember Freeman asked what the rezoning was. City Manager Dalton reported that it was from GMC to R-9. This lot currently had a single-family home that was damaged by the storm on May 16, 2023. The current zoning of GMC is likely because of the proximity to the old Dora Mill on N. Mountain St. An investor is looking to remove the damaged home and build a new duplex. City Manager Dalton reported that Council will need to set a public hearing at the September Council meeting.


ADJOURNMENT:

Councilmember Abernethy made a motion to adjourn the work session meeting. Councilmember Freeman seconded the motion, and the vote was unanimous.

Adopted this 11 day of September 2023



Brian Dalton, City Manager



H.L. Beam, Mayor

