

**Dunn City Council**  
**Special Meeting – Budget Planning Retreat**  
**Friday, February 24, 2023**  
**8:30 a.m., Beaufort Hotel, Beaufort NC**

**Minutes**

**PRESENT:** Mayor William P. Elmore Jr., Mayor Pro Tem Dr. David L. Bradham, Council Members J. Wesley Sills, April Gaulden and Chuck Turnage. **Absent:** Council Members Frank McLean and Billy N. Tart.

*Also present: City Manager Steven Neuschafer, Assistant City Manager Mathew Boone, Finance Director Cary McNallan, Public Utilities Director Heather Adams, Chief of Police Cary Jackson, Planning Director George Adler, Parks and Recreation Director Brian McNeill, Human Resources Director Connie Jernigan, Public Works Director Dwayne Williams, Downtown Director Amber Groves and City Clerk Tammy Williams.*

**Session 1 – Getting Started**

Mayor Elmore opened the meeting at 8:24 a.m., gave the invocation and afterwards led in the Pledge of Allegiance. Mayor Elmore thanked everyone that was in attendance. He shared that both Council Members McLean and Tart were unable to attend due to health reasons. He welcomed Emily Weaver with The Daily Record and all new department heads. He discussed the advantages of this retreat – reviewing past goals and reevaluating and setting goals for the upcoming years. He then recognized City Manager Steven Neuschafer who introduced the Facilitator, Chad Sary.

Sary began the day by starting with Pre-Retreat Questions 1 and 2. Council and staff shared their responses.

- 1) What is one lesson you learned in 2022 as an elected official or City representative?  
Some responses: even engineers make mistake, working together to accomplish tasks for the city and be of better service to the residents, importance of working as a team, issues the city deal with are very complicated, communication to the general public is critical, more partners than just locally, growth is difficult and a challenge in the City of Dunn, listening to understand is very important, government moves slow, funding is a challenge, tough things happen, priorities are critical, need for recreation is growing, nothing is impossible, and you have to be flexible even with the most thought out plans.
- 2) This retreat will be successful for the City if:  
Some responses: Consensus and direction on the big priorities, keep the big picture in mind (city as a whole), for everyone to be heard and understood, goals and ideas expressed clearly, clear direction for staff, unified plan, staff pay plan progress, tangible goals like the dog park, and common clear-cut goals.

Sary shared that the City has benefited from state and national funding but he reminded council and staff to not forget about the public-private partnership opportunities. He then reviewed the objectives of the retreat. He related the city government to a tree. Trunk – to protect residents and provide for quality of life; Branches are departments; Leaves and Fruit are the projects and services and the Roots is financing and budgeting. You can't do things without the funding.

City Manager Neuschafer presented a short Manager's Report reviewing the goals and achievements from the Council Goals from the last year and the Imagine Dunn strategies. He reported on the successes, progress to-date with some items completed.

**Session 2 - Reflecting**

**Mid-Year Report and Financial Outlook**

Finance Director McNallan reviewed assets, general fund, expenditures break down, debt service and trend analysis. In summary, cash balances and revenue streams remain strong while expenditure budgets are keeping in pace with inflation. Infrastructure expenditures and debt issuance is necessary for future growth, which increases the importance of utility cash flow management. Continued monitoring of debt ratios and fund balances is important while searching for opportunities for grants and low interest loans.

**Downtown Development**

Assistant City Manager Boone recognized new director, Amber Groves, and then gave an update on Downtown achievements and goals, including working on transforming the "Caboose Lot" to a small event space and outdoor passive/leisure area. He also updated on the Duke Revitalization Grant distributing facade grants to sixteen businesses and the upcoming Lucknow Music Festival. Discussion followed on the issues with generators at festivals and attracting additional restaurants downtown. Mayor Elmore shared about the new venues in downtown to include entertainment with food trucks along with the Butcher's Table.

**Imagine Dunn**

Boone also gave an update on the Imagine Dunn and some of the city achievements including the I-95/I-40 Crossroads of America Economic Development Alliance – regional partnership for job creation. Mayor Elmore updated on the rehabilitation project being considered for the old Magnolia School as job training is critical to attracting industry and growing jobs. Discussed impact of I-95 construction. Boone talked about Commercial and Residential Redevelopment (CDBG Grant). City Clerk Williams added about the natural redevelopment of the residential areas by the private sector due to the moratorium. Boone also updated on Community Character and Appearance (Downtown, Stewart Theater, Parks - trail) of the city, as well as Marketing and Partnerships (use of new logo and wayfinding). Discussed the impact of delays due to the NC DOT on certain projects.



### Police

Chief Jackson shared the achievements of the police department including enhanced community engagement, employee of the month program, recruitment efforts, CALEA accomplishments and improvements at the Animal Shelter. She shared the need for Automated License Plate Readers at city entrances and the success of these readers assisting police investigations. Projected cost will be \$60,000 per year plus installation cost. She shared success stories associated with these readers in neighboring communities. She also shared the need for a Firing Range Project on Three Bridge Road especially since the current range site has to be vacated. We are looking at \$250,000 just to do the grading for the site. She shared other goals including Explorer Post, Citizens Academy, Regional Special Response Team as well as implementation of an incentive-based wellness program. Bradham asked about the homeless situation and Jackson stated they are working on getting no trespass agreements in place and also trying to relocate those in need that are willing to go. Bradham also requested statistics comparing are city to area towns. Jackson added that training for school shootings are done annually with multiple agencies.

### Planning and Inspections

Planning Director Adler presented the reports completed in 2022 including the Land Use Plan and Map and the Pedestrian Plan Update. He shared the various plans used as reference for his department. Plans guide development while regulations are required. He reviewed the character areas of the land use map, which is based on the Imagine Dunn themes and goals to plan for growth. The Comprehensive Unified Development Ordinance (UDO) is still in draft form and a combined special meeting is planned in March for more discussion. He then reviewed the elements of the UDO. He shared the residential growth in 2022 of 56 units with 14 of those being infill. We have preliminary plats for 203 units between the Village of Ken, Avonlea and Middleton Towns. Goals include implementing pedestrian improvements from the ADA Transition Plan and the Pedestrian Plan including railroad "quiet zones". Other goals include assessing the need for another employee, training and certifications, improvements to the office and additional zoning amendments related to Airbnbs. Discussion followed on minimum housing enforcement. Sills said that this needs to be a priority and the web page needs to be re-organized to help developers find what they need.

The meeting was recessed at 12:05 p.m. and reconvened at 12:50 p.m.

### Finance

Director McNallan reported on the accomplishments of the department to include implementation of the Tyler Accounting program, employee self-service portal and staff was able to provide consistent service during staffing challenges. He is also looking at some additional training for staff and also cross-training of staff duties and responsibilities. Goals include to optimize grant and government loans for financing, continue to incorporate Tyler functions, continue to improve customer relations and communications and assist other departments in meeting their goals. There is a delay in the Audit and he is hoping that it will be presented at the March meeting.

### Public Works

Director Williams reported on accomplishments including 174 open/closed graves in the three cemeteries, sold 128 burial plots, updating guidelines at shelters, clearing storm ditches and storm drain pipes along railroad tracks, repaired 59 street cuts, 368 low limb trimmings, filled over 168 pot holes, repaired 51 signs, restriped city-owned parking lots, cleared 75 storm drains and multiple storm drain ditches. Goals are to clear and maintain storm ditches, unblock and repair storm drains, replace damaged concrete storm drain covers, cross train street crew and create a preventative maintenance program for the Cemetery's equipment fleet. Discussed ESP study, which was just completed and plans to address those blockages. Mayor Elmore questioned if contract labor should be used to assist with all these storm drain blockages. Williams also confirmed that there are plans to start using the paver but still have some training needed.

### Public Utilities

Director Adams reviewed completed projects including the Elm and Bay Street Waterline Replacement, 14-in Waterline abandonment project, E Wake Water Replacement and the Juniper Creek Outfall 21-inch rehabbed. She also shared a list of projects completed in-house by staff, which was in addition to their normal duties. Goals are to update ordinances to deal with private side inflow and infiltration, hire additional staff for sewer line inspection and repair, project management location, implement system development fee schedule, inventory entire system which is required by EPA, and implement a Pre-treatment program for the WWTP. She reviewed additional goals: secure funding for Love's force main upgrade, abandon champion LS and gravity flow, install meter vault on Ammons Rd, replace bulk contract meter, revisions to Chapter 21 of Code, Secure funding for Eastside Pump Station and Force Main project, begin permitting process for the WWTP, and to plan for Water Treatment Plant-Rehab current facility and add reservoir.

### Parks and Recreation

Director McNeill reported on accomplishments including the Tart Park Renovation, increase in youth and adult programs, travel ball tournaments, which included 16 tournaments with an estimated impact of \$800,000 on the community. Current active projects include Codrington Basketball Court Renovation, Volleyball Court Addition, and updating playgrounds and picnic shelter at Tart Park. Goals include facility updates to include the Community Center, PK Vyas Center and improving storage. Additional Goals include Johnson Street property, and improvements to Codrington Park. Reviewed park development timeline and trends in parks and recreation. Turnage asked about the issues with the splash pad and McNeill replied the location of the control panel which has been relocated to another location. Sills discussed the quality of the city's pad compared to area pads and McNeill stated that it would cost too much to renovate and would be cheaper to do a new one.



### *Special Projects Discussion*

#### Public Works Building

Assistant City Manager Boone reported on the background of the Public Works Complex, presenting a rough draft of the site layout and the Administration building and fleet building layout concept by IBI Group. Staff was thinking about \$8 million and IBI didn't even think that would be close and said it would be more like \$417 a square foot, so it was determined the cost was going to be too much. Neuschafer added that the city may need to take one facility at a time and work ourselves into the total facility. The Administrative office is the most critical need right now.

#### Water Sewer Projects Update

Public Utilities Director Adams presented an overview of the major sewer projects: USDA Sewer Rehab Project, SRF Sewer Collection System Rehab Project, CDBG-I Sewer Collection System Rehab Project, Black River WWTP Improvement Project, Machine & Welding Outfall project, WWTP Effluent Force Main and Pump Station and the Eastside Force Main and Pump Station project – which has to be funded. All of these projects are related to the sewer moratorium. She shared the status of the SOC and appropriations to this point. The SOC will expire on March 31, 2027 at which time all these projects need to be finished.

#### Wayfinding Signs

Assistant City Manager Boone reported that the city contracted with Merje Designs to develop a wayfinding masterplan. He shared the final designs and proposed locations with the total cost for 95 signs at \$650,000 plus an additional \$200,000 for ten gateway signs. These signs can be done in phases so all the expense is not at one time. Sills said needs to be phased, useful and consistent. Clerk Williams shared about the business partnerships to do the two brick signs and recommended a phased budgeted approach.

#### Stormwater Projects

City Manager Neuschafer shared the importance of the stormwater mapping that has just been completed. He reviewed the proposed stormwater projects. The city did not get funded but \$400,000 for the BRIC funding so the projects will need to be prioritized.

#### Pay Study

Human Resources Director Jernigan presented the Pay Study Data Results. The City has a compression issue where people who have been here for several years were not paid equitably to the newer employees, so they recommend getting everyone to a minimum and add .5% for every year of employment. The implementation in one year is estimated at \$400,000 in salaries only or you could implement over two years. They also compared benefits. Comparable on some benefits but it is recommended to add additional benefits like additional personal days or increase of longevity pay. We would need to have this finalized with a decision by April. She added that we have seen a large turnover basically due to pay. The study also recommends you continue merit and cost of living increases. There are only 30 employees who are where they should be out of 120 employees.

### **ITEMS FOR DISCUSSION AND/OR DECISION**

#### **Selection of Engineering Firm for the Eastside Pump Station and Force Main Project and Approval to Apply for USDA Funding**

Public Utilities Director Adams presented request to select the engineer for the Eastside Pump Station and Force Main project included in the Special Order by Consent Agreement. Due to cost overruns on other sewer capital improvements, additional funding is needed in order to complete this project. Since additional funding is needed, staff is recommending that Council select WithersRavenel to complete a funding application to USDA and be the engineer of record for the Eastside project. USDA provides a 40-year loan term and based on the City's medium household income stats, the City qualifies for 75% grant from USDA. In discussions with the engineer, we feel that USDA is the City's best option for grant and loan terms. A USDA application is complicated and takes a lot of effort from both the City and the Engineer. USDA has set a deadline of June 9 to have an approved application before the Federal Office pulls back any unused State grant funds.

Motion by Council Member Turnage and second by Mayor Pro Tem Bradham to select WithersRavenel as the engineering firm for the Eastside Pump Station and Force Main Project and to move forward with submitting a funding application to USDA. **Motion unanimously approved.**

#### **Code Enforcement Agreement**

Assistant City Manager Boone presented request to enter into an agreement with NFocus for code enforcement for the city. With the lack of staffing availability in the city's Inspections Department, we have reached out to some private contractors who specialize in code enforcement for municipalities and NFocus has done a lot of this for other cities and towns, producing positive results. Once on board, their staff will be doing inspections, notifications of violations given to property owners, progress inspections, hearings, city council presentations etc. The agreement will consist of 320 hours of service, or around 20 hours per month on average. Total contract cost is \$25,305.00

After discussion, motion by Council Member Sills and second by Mayor Pro Tem Bradham to allow the City Manager to enter into an agreement with NFocus Local Government Services from March 1 2023 through June 30, 2024 to perform Code Enforcement services for the City after review by the City Attorney. **Motion unanimously approved.**

#### **Session 3 - Priorities**

Sary reviewed the plans of the City such as the Imagine Dunn plan, Land Use Plan, and Vision Statement. He encouraged fitting goals in one of the areas of the Imagine Dunn plan.



Reviewed goals and priorities, focused topics and projects from last year to decide what to keep and toss.

Meeting was recessed at 4:39 p.m.

**Special Meeting – Budget Planning Retreat**  
**Saturday, February 25, 2023**  
**8:30 a.m., Beaufort Hotel, Beaufort NC**

Mayor Elmore reconvened the meeting on Saturday, February 25, 2023 at 8:30 a.m. Council Member Turnage gave the invocation and then Council Member Sills led in the Pledge of Allegiance.

Chad Sary led Council and staff in a speed round of a PEST and SWOT analysis.

POLITICAL	ECONOMIC	SOCIAL	TECHNOLOGICAL
1. State/Federal Regulations 2. Elections 3. Political Unrest/Agendas 4. Voter Apathy 5. War 6. Bureaucracy 7. Unfunded mandates	1. Availability of grants 2. Cost of Healthcare 3. Future pandemics 4. Inflation 5. Recession 6. Interest rates 7. Lack of workforce 8. New taxes 9. Unemployment 10. Supply & demand 11. National debt 12. Cost of living	1. Poverty 2. Social Media 3. Lack of education 4. 24-hour news coverage 5. NIMBYism 6. Racial conflict 7. Mental health 8. Lack of personal connection 9. Political divisions 10. Crime 11. Drug abuse 12. Aging population	1. Proper education 2. AI 3. High-speed internet 4. Digital commerce 5. Constantly changing 6. Workforce knowledge 7. Reliance on technology 8. Haves/have nots 9. Lack of personal connections 10. Effects on health

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
1. Leadership 2. Networks 3. Community Support 4. Historic Downtown 5. Embracing change 6. Diverse faith background 7. Great staff 8. Available infrastructure 9. Street grid 10. History 11. Vision 12. Land availability 13. Citizens that care 14. 95 Alliance 15. Location 16. Small town charm 17. Park network	1. Construction activities along 95 2. NIMBYism 3. Employee retention 4. Community not ready for growth 5. Environmental issues (soils, hydrology) 6. Underutilized buildings 7. Median income level 8. Stingy landowners 9. Budget not keeping up with demand 10. Economic/racial division 11. Lack of youth activities 12. Outdated facilities 13. Limited shopping choices 14. Lack of quality jobs	1. Increase tax base 2. Future growth 3. More shopping 4. Downtown availability & entertainment 5. Residential growth 6. Infill development 7. Industrial development 8. School systems 9. PAL program 10. Infrastructure improvements 11. Remote working 12. City investments 13. Localized workforce 14. Location to 95 15. Greenway network expansion 16. Historic character 17. Local investments in businesses	1. Unwillingness to accept change 2. Stormwater issues 3. Competition for business/industry 4. Drug addictions 5. Lack of budget to keep up with demands 6. Community division 7. Poor self-image 8. Aging infrastructure 9. High paying jobs 10. Railroad 11. 95 constructions 12. NIMBYism 13. Flooding 14. Lack of business friendliness 15. Crime 16. Water plant 17. Traffic

Sary said at this point, we need to take all the information from the city department needs, PEST and SWOT Analysis, Special projects and the goals kept from last year’s to determine our goals and priorities for this upcoming budget year.

Discussions followed to determine the goals and priorities along with action items for each of these goals. Discussed developing an Asset Management Plan for the City maybe by department. Also determined who is responsible for moving this goal forward. After much discussion and additional exercises by Council the following goals were established.



FY 23-24 Strategic Planning Projects		
GOAL 1: ALLOCATE FUNDS THAT FOCUS ON EMPLOYEE RETENTION & RECRUITMENT		
Action Items	Owner	Imagine Dunn Theme(s)
Complete pay study & present to City Council.	Human Resources; Administration	(PG) Planning for Growth (QL) Quality of Life
Review policy every five years.	Human Resources; Administration	
Focus on employee care, moral and well-being.	Human Resources; Administration	
Create metrics for rewarding professional development/certifications.	Human Resources; Administration	
GOAL 2: CONTINUE TO FUND INFRASTRUCTURE IMPROVEMENTS		
Action Items	Owner	Imagine Dunn Theme(s)
Implement street repair improvements.	Public Works	(PG) Planning for Growth (QL) Quality of Life (BD) Business Development (P) Partnerships
Invest in stormwater program.	Public Works	
Repair/install new lines to plan for growth.	Public Utilities	
Create an ordinance to address private laterals.	Public Utilities	
Create an asset management/maintenance plan.	Various	
Create an action plan to address water plant issues.	Public Utilities	
GOAL 3: WATER PLANT UPGRADES		
Action Items	Owner	Imagine Dunn Theme(s)
Continue to evaluate alternatives & strategies with regional partners.	Public Utilities; Administration	(PG) Planning for Growth (QL) Quality of Life (BD) Business Development (P) Partnerships
Provide a mid-year review to City Council; Council to make a decision to act.	Public Utilities; Administration	
GOAL 4: STORMWATER IMPROVEMENTS		
Action Items	Owner	Imagine Dunn Theme(s)
Prioritize projects from inventory.	Public Works; Public Utilities	(PG) Planning for Growth (QL) Quality of Life (P) Partnerships
Continue to explore areas where improvements can be made.	Administration	
GOAL 5: CREATE & FUND A PROGRAM FOR PRIVATE INVESTMENT		
Action Items	Owner	Imagine Dunn Theme(s)
Complete incentive document and bring to council to review.	Administration	(BD) Business Development; (MP) Marketing Positioning; (CC) Community Character; (P) Partnerships
Continue to seek grants/partnerships for improvements.	Downtown, Chamber	
Explore redevelopment zone options/opportunities.	Administration; Chamber	
GOAL 6: WATER STORAGE PLAN		
Action Items	Owner	Imagine Dunn Theme(s)
Research Agreements with regional agencies.	Public Utilities; Administration	(PG) Planning for Growth (QL) Quality of Life (P) Partnerships
Plan for engineering projects to address.	Public Utilities; Administration	
Prepare a final cost estimate for each project.	Public Utilities; Administration	
GOAL 7(T): CREATE A PLAN FOR WELLONS PROPERTY		
Action Items	Owner	Imagine Dunn Theme(s)
Create a Master Plan/Concept Plan for the feasibility of property.	Parks & Recreation	(QL) Quality of Life (CC) Community Character
As part of the process, be deliberate about public input.	Parks & Recreation	
GOAL 7(T): FUND WAYFINDING SIGNAGE PROGRAM		
Action Items	Owner	Imagine Dunn Theme(s)
Create a phased plan and present to the council proposed number of signs in each phase, budget and citizen input.	Administration	(QL) Quality of Life (CC) Community Character (MP) Marketing Positioning (BD) Business Development (P) Partnerships



GOAL 9: PLAN FOR CITY FACILITIES/PROPERTIES		
Action Items	Owner	Imagine Dunn Theme(s)
Create an asset management inventory & plan.	Administration	(PG) Planning for Growth (MP) Marketing Positioning
Hire a consultant to conduct a facility’s needs assessment.	Administration	
Explore options for a new firing range.	Police; Administration	
GOAL 10: FUND IMPROVEMENTS FOR PARKS, SIDEWALKS & GREENWAY CONNECTIVITY		
Action Items	Owner	Imagine Dunn Theme(s)
Prioritize projects from adopted plans/needs.	Planning; Public Works	(PG) Planning for Growth (QL) Quality of Life (CC) Community Character (MP) Market Positioning (P) Partnerships
Research funding to support projects.	Planning; Public Works	
Continue dialogue with NCDOT.	Planning; Public Works	

Mayor Elmore thanked Chad Sary for his efforts and felt that he has done a great job for the past two City of Dunn retreats. He thanked everyone for their participation and asked everyone what they got out of the retreat. Comments were focus on employees, fellowship, developing relationships and working together for the common good, stayed on task, unifies us as a team and allows us to see the big picture, presentations from department heads were evidence of the hard work and efforts of staff, appreciates provided direction for staff, focus on priorities, public safety is priority, great staff, well facilitated, more focused than past retreats.


Mayor Elmore thanked the board for their efforts and their relationship in working together for the City. He added that the City has a great staff and appreciates their input in developing the goals for the City.

Motion by Council Member Gaulden and second by Council Member Turnage to enter Closed Session relating to a Legal Matter. **Motion unanimously approved.**

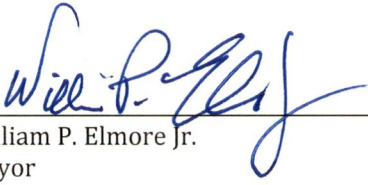
Mayor Elmore recessed the meeting at 12:03 p.m.

The meeting was reconvened and with no further business to discuss, motion by Council Member Gaulden and second by Council Member Sills to adjourn the meeting at 12:17 p.m. **Motion unanimously approved.**

Attest:

  
Tammy Williams, CMC, NCCMC  
City Clerk



  
William P. Elmore Jr.  
Mayor