

Dunn City Council
Work Session
Tuesday, April 14, 2026
6:30 p.m., Dunn Municipal Building

Minutes

PRESENT: Mayor William P. Elmore Jr., Mayor Pro Tem April Gaulden, Council Members J. Wesley Sills, Raquel McNeil, Billy N. Tart, and Alan Hargis.

ABSENT: Council Member Dr. David L. Bradham.

ALSO PRESENT: *City Manager Justin Hembree, Assistant City Manager Billy R. Godwin, Finance Director, Cary McNallan, Police Chief Lynn Gay, Administrative Support Specialist Christy Sweeney, City Attorney Tilghman Pope and City Clerk Melissa Matti.*

CALL TO ORDER

Mayor William P. Elmore, Jr. called the City Council Work Session to order at 6:30 PM on Tuesday, April 14, 2026, at the Dunn Municipal Building, 401 East Broad Street, Dunn, North Carolina. Mayor Elmore noted that Council Member Bradham was absent due to a prior commitment.

INVOCATION & PLEDGE OF ALLEGIANCE

The invocation was delivered by Council Member Billy N. Tart, followed by the Pledge of Allegiance.

CONSIDERATION & APPROVAL OF THE AGENDA

Motion to approve the agenda was made by Council Member Sills and seconded by Mayor Pro Tem Gaulden to approve the agenda. The motion carried unanimously.

CONSENT AGENDA

The Consent Agenda included one (1) item:

- **Accept NCDEQ SWIA Funding – Lead Service Line Replacement**

Motion by Council Member Sills and seconded by Council Member Tart to approve the consent agenda, adopting the Resolution accepting the \$500,000 of IJJA-DWSRF LSLR Funds from NCDEQ for the Lead Service Line Replacement Project and the related Capital Project Ordinance Amendment. The motion carried unanimously. *Copies of the Resolution to Accept Funds from the Drinking Water State Revolving Fund(R2026-12) and the Capital Project Ordinance Amendment #1 Lead and Copper Service Assessment Project(O2026-05) are incorporated into these minutes as Attachment #1.*

ITEMS FOR DISCUSSION & CALENDARING FOR APRIL 28, 2026

Designated Truck Routes & No Thru Trucks

Lieutenant Apelles Hart of the Dunn Police Department presented Part 1 of a two-part presentation on the City's Designated Truck Routes and No-Through-Truck designations. He indicated that this item was for informational purposes only, with no action to be taken at this session, and that Part 2 would be presented at a future Work Session.

Lt. Hart explained that a committee consisting of the Assistant City Manager, himself and City Clerk, Melissa Matti, was convened in response to a growing number of complaints about commercial vehicles traveling through residential neighborhoods. Upon review, the committee found that the City's Ordinance currently designates 29 truck routes, which Lt. Hart noted amounts to approximately 40 to 50 percent of City roads, a scope he suggested was likely never the original intent of the designations, which date back roughly 30 years.

Lt. Hart provided key definitions to clarify the distinction between a designated truck route—roads intended for through-commercial-vehicle traffic traversing the City—and a no-through-truck route, which prohibits commercial through-traffic while still permitting vehicles with legitimate local business, such as delivery trucks, to use those roads. He

noted that confusion between these two concepts has resulted in some no-through-truck signs being erected on roads that are simultaneously designated as truck routes, creating inconsistencies in both routing and enforcement.

Among the key takeaways presented: once designated truck routes are properly established, any other road is inherently a no-through-truck route and can be enforced as such without additional signage. The current lack of clarity has contributed to driver violations, inefficient routing, and enforcement challenges. Part 2 of the presentation, to address proposed route designations and a possible ordinance amendment, will be scheduled for a subsequent Work Session. No formal action was required for this matter.

PARTF Application

Codrington Park Improvement

Phase 2

Parks and Recreation Director Brian McNeill introduced this item, providing context that the City had previously secured an Accessible Parks (AP) grant for Codrington Park and subsequently engaged McAdams to develop a master plan, both to guide comprehensive redevelopment of the park and to position the City for additional grant funding. He introduced Eliza Monroe, Project Manager at McAdams, to present the master plan and its findings.

Ms. Monroe outlined the planning process, beginning with an analysis of existing conditions. She noted the park's historical significance—named after Dr. Steve B. Codrington—and identified key site challenges including limited accessibility, the presence of adjacent City-owned parcels that could be incorporated, and a desire to build upon the park's established role as a community gathering place. She described two (2) public engagement events, including a well-attended open house in January, an online survey, and youth input gathered through the Dunn Police Athletic League. Across all input channels, the top community priorities included a children's play area, updated restrooms, seating and gathering spaces, and walking trails. There was also a clear desire for historical and cultural elements to be incorporated into the design.

The final concept plan presented by Ms. Monroe centered the park's design around multi-generational use and accessibility. Key proposed elements include a consolidated playground moved to the center of the park, a splash pad, a new picnic shelter with updated restrooms, a hardscaped plaza for outdoor gathering, a picnic grove with shade trees, a memorial garden along Burke Street, exercise stations along a walking trail, a story walk for children, an accessible entrance from the Head Start facility, and opportunities for public art and historical signage. The existing restroom building was proposed to potentially remain as a mural feature.

Ms. Monroe then outlined funding opportunities made possible by the master plan. The AP grant has already been awarded for certain site improvements. The plan also makes the park eligible for the Park and Recreation Trust Fund (PARTF) grant, with a May 1 application deadline, and the Land and Water Conservation Fund (LWCF), with a November deadline. She noted that the two grants can complement one another, with LWCF potentially used to satisfy the one-to-one match required for PARTF. The maximum PARTF award is \$500,000 (requiring a \$500,000 local match), and the LWCF maximum is \$750,000.

Council discussion followed regarding the financial commitment involved. City Manager Justin Hembree clarified that the FY27 budget currently includes a placeholder of \$250,000 as a local match for the PARTF grant, with the plan to split the full \$500,000 match over two fiscal years, if the maximum grant is awarded. Council members expressed broad support for moving forward with the application, though some noted the significance of the potential local cost. Mr. Hembree confirmed there was nothing prohibiting the Council from taking action that evening.

Motion by Council Member Hargis and seconded by Mayor Pro Tem Gaulden to approve the Codrington Park Master Plan as presented and authorize staff to submit applications for the PARTF grant and the Land and Water Conservation Fund grant. The

motion carried unanimously. A copy of the Codrington Park Master Plan is incorporated into these minutes as Attachment #2.

Sale of 411 North Magnolia Avenue

Assistant City Manager Billy Godwin presented a discussion on a received offer to purchase City-owned property at 411 North Magnolia Avenue, a residential structure located approximately three (3) to four (4) blocks north of City Hall. The City received two (2) offers on the property; the higher of the two, at \$40,000, was brought before the Council. Mr. Godwin explained that the standard process for selling local government property of this type is the upset bid procedure, whereby the initial offer is treated as a bid, published in the newspaper, and held open for ten-day periods during which third parties may submit qualifying higher bids. Once the bid period closes without an upset, the Council would determine at a subsequent meeting whether to finalize the sale. Mr. Godwin noted that the City had previously declared the property surplus and authorized demolition, but that action was paused when interest from potential developers emerged.

Council discussion raised several significant considerations. Council Member Tart asked about the property's condition and whether it had been formally condemned. Mr. Godwin clarified it had not been condemned through the building code process, though it is in poor condition. Mayor Pro Tem Gaulden noted that the City itself had allowed the property to sit in disrepair for at least two (2) years while owning it and urged the Council to be reasonable about expectations for a new owner's timeline for rehabilitation. Council Member Sills raised concerns about the extent of inspections and permits that any rehabilitation would require.

The most substantive discussion centered on the relationship between this property and the City-owned house on Townsend Street, which is adjacent to Codrington Park and intended to be moved as part of the park's redevelopment. Mayor Elmore and several council members expressed concern that selling 411 North Magnolia Avenue—identified as potentially one of the closest and most suitable vacant lots to which the Townsend Street house could be relocated—could foreclose that option before the Council had sufficient information. Mr. Godwin acknowledged that a preliminary estimate suggested moving the Townsend Street house would cost a minimum of approximately \$30,000, not including engineering, foundation work, or utility line relocation. He also confirmed that at least one (1) additional developer had expressed interest in acquiring the Townsend Street house.

Council consensus was to defer action on 411 North Magnolia Avenue and direct staff to return with more specific cost information: the cost to demolish the structure at 411 North Magnolia Avenue, the full estimated cost to move the Townsend Street house to that lot, and confirmation of whether the Townsend Street house footprint would fit on the Magnolia Avenue lot. No formal vote was taken on this item.

Yard Waste Discussion

Assistant City Manager Godwin introduced this item, summarizing the ongoing problem of residents placing household trash into City-issued yard waste carts. The contaminated yard waste, when delivered to the landfill's LCID (Land Clearing and Inert Debris) site, cannot legally be mixed with trash under State regulations. The result has been that the Public Works Director and members of his team have been required to travel to the landfill twice per week to manually separate trash from yard waste—at one point requiring the use of an excavator—diverting significant Public Works labor from other duties. Mr. Godwin noted that the landfill operator had warned Republic Services that continued contamination could jeopardize the City's ability to use that site for yard waste disposal.

Joe Daner, Local Manager for Republic Services, presented a proposed enhanced screening plan. The core elements included: (1) new decals affixed to cart lids clearly listing acceptable and unacceptable materials; (2) transitioning from a single-driver collection to a two-person crew, with the second employee dedicated to inspecting every cart lid before it is dumped; (3) improved documentation of non-compliant households, with reporting to the City after each route; and (4) an enforcement mechanism whereby residents receive one (1) warning and, upon a second offense, have their yard waste cart removed. Mr. Daner noted that cameras in the collection truck hoppers provide an additional documentation tool. He

estimated the enhanced screening would cost approximately \$1.86 more per unit per month, applied city-wide. He projected that two to three months of enhanced screening and enforcement would be sufficient to bring contamination to a manageable level, while acknowledging the program would require ongoing maintenance as residents turn over.

Council discussion was substantive. Several members expressed discomfort with charging all residents an additional fee to address non-compliance by a relatively small number of households. There was broad agreement on the need for an enforcement component, with Council Member Hargis and others suggesting that removing a cart without a corresponding fine or mechanism to address ongoing yard waste generation did not fully solve the problem—removing carts would likely result in yard waste being left in the street for public works to collect. Council Member Hargis and Mayor Pro Tem Gaulden both suggested that a formal fine or civil penalty ordinance could be a more effective deterrent. City Attorney Tilghman Pope noted the challenge posed by tenant turnover at rental properties.

City Manager Hembree recommended that, rather than taking formal action that evening, staff should immediately begin public education efforts, work closely with code enforcement and Republic Services to conduct active enforcement on routes over the coming weeks, and return to the Council at the next regular meeting with a more specific recommendation, including budgetary impact and an implementation plan. The Council concurred with this approach.

FY27 Budget Discussion

Finance Director Cary McNallan presented a preliminary budget snapshot for Fiscal Year 2027, emphasizing that this was not yet a recommended budget, which will be delivered by May 31. The following key points were addressed:

Tax Rate and Revaluation. The current City Tax Rate is \$0.54 per \$100 of assessed value, of which \$0.04 is dedicated to street resurfacing. Because FY27 is a revaluation year, taxable property values within the City of Dunn increased by approximately \$382 million, generating an estimated \$1.8 million in additional tax levy. Mr. McNallan noted that the County recommended discounting the full projected increase by approximately 10 percent to account for potential successful appeals; staff used a 12 percent discount, working from 88 percent of the total projected new revenue. Council members expressed concern about the uncertainty surrounding appeals, particularly given the magnitude of value increases many property owners experienced. City Attorney Pope noted that while many appeals may be filed, winning an appeal requires demonstrating that the assessed value exceeds market value, which may limit successful appeals given recent market activity.

Revenue Neutral Rate. As required in a revaluation year, Mr. McNallan presented the Revenue Neutral Tax Rate, which would be approximately \$0.40, a reduction of \$0.14 from the current rate. Council consensus was that adopting a revenue neutral rate was not feasible given current expenditure demands. Mr. McNallan also noted a potential State Legislative discussion around freezing property values, though nothing had been passed, and any action was expected to affect future years rather than the current budget cycle.

Expenditures. Total new expenditures for FY27 are projected at approximately \$1.7 million. Key cost drivers include salary adjustments (a recommended 3.5% base increase with 0–2% merit), State-mandated Retirement Rate increases (approximately 0.75% for general employees, 1% for police employees), a 2.4% State Health Plan Assessment increase on top of existing premiums, anticipated 10% health plan premium increases effective January 1, a \$113,000 (5%) increase in the Republic Services sanitation contract (This will likely be reduced to 4% based on the contract), a \$50,000 contribution to the Stewart Theatre, and the \$250,000 Codrington Park PARTF match. The Rooms To Go economic incentive obligation—approximately \$301,000—concluded this fiscal year, effectively offsetting the prior year's fund balance appropriation.

Revenues. Total Projected Revenue increase is just under \$1.8 million, yielding an estimated reserve balance addition of approximately \$7,470 for FY27, a stark contrast to the \$303,000 drawn from reserves in FY26, but still a very narrow margin. Other revenue lines show modest movement: Sales Tax Revenues up \$150,000, State Utility Tax up \$45,000, the ABC store contribution down \$75,000, Interest Income decreasing modestly, and a

\$120,000 Governor's Highway Safety Grant removed from the budget, after it was not awarded.

Capital and Equipment Needs. Vehicle and machinery replacement requests from department heads totaled approximately \$936,000 across the general, water, and sewer funds. Mr. McNallan recommended financing these purchases over a five-year term if the Council approves them, at an annual cost of approximately \$171,000 to the general fund beginning in FY28, meaning no impact to the FY27 budget. Council members, particularly Council Member Tart, expressed concern about accumulating debt and cautioned against repeatedly deferring costs to future years.

Finance Director McNallan also presented a list of facility improvement needs, including the City Hall roof, City Hall remodeling, public works equipment storage, and the railroad building—for which cost estimates are not yet available and for which no funding is currently budgeted.

Utility Rates. Proposed utility rate adjustments would result in an increase of approximately \$14.14 per month for a household using 5,000 gallons, comprising a Water Usage Rate increase, a Sewer Rate increase, and a modest Garbage Collection increase. The Base Water Rate is proposed to remain unchanged.

Stormwater Fees. Proposed stormwater fee adjustments would generate approximately \$55,000 in additional annual revenue, with residential customers paying approximately \$3.00 more per year. These fees are added to County tax bills.

Next Steps. Mr. McNallan recommended that the Public Hearing on the FY27 budget be held on June 9, with adoption occurring that same evening. The recommended budget must be submitted by May 31. City Manager Hembree announced that individual or paired one-on-one budget meetings with Council members would be scheduled within the coming week to ten (10) days to allow for deeper review prior to the recommended budget's release.

REPORTS & UPDATES

City Manager's Report

Upcoming Agenda Items

City Manager Hembree noted that upcoming agenda items discussed during the work session would be calendared for the April 28 regular meeting as appropriate.

Updates

City Manager Hembree shared a drone photograph of the East Side Pump Station construction site, noting significant progress. A second photograph taken the same day showed the tank walls already rising. Substantial completion of the pump station project is scheduled for approximately Thanksgiving. Hembree noted this represents the final major SOC (Sewer Overflow Compliance) project, and the City remains on track to emerge from its SOC obligations in early 2027.

City Manager Hembree reported that the City's street resurfacing project is progressing well. The contractor, Halyan, has transitioned from patching work to full milling and paving operations. Public Works Director Duane Williams and his team have been actively on-site and are pleased with the contractor's performance. The project is expected to continue through the remainder of April, May, and June, with the next resurfacing phase to follow.

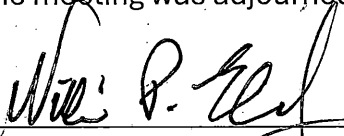
ANNOUNCEMENTS

Mayor Elmore announced that:

- The next Regular City Council meeting is scheduled for Tuesday, April 28,
- The next Work Session is scheduled for Tuesday, May 12.
- He encouraged Council members to promote openings on City advisory boards to interested constituents in their districts, noting that applications are being received on an ongoing basis.

ADJOURNMENT

There being no further business, a motion to adjourn was made by Council Member Sills and seconded by Mayor Pro Tem Gauden. The meeting was adjourned at 9 p.m.



William P. Elmore, Jr.

Mayor

Attest:



Melissa R. Matti
City Clerk

