

Dunn City Council
Regular Meeting
Tuesday, May 26, 2026,
6:30 p.m., Dunn Municipal Building

Minutes

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

Also present: City Manager Justin Hembree, Assistant City Manager Billy R. Godwin, HR Director Connie Jernigan, Finance Director Cary McNallan, Senior Planner Stephanie Goodrich, Police Chief Lynn Gay, Public Works Director Dwayne Williams, Water Plant Manager Ian Stroud, Code Enforcement Officer Stephen Hodges, Code Enforcement Officer Alan Canady, Administrative Support Specialist Christy Sweeney, City Attorney Tilghman Pope and City Clerk Melissa Matti.

CALL TO ORDER

Mayor William P. Elmore, Jr. called the meeting to order at 6:30 PM on Tuesday, May 26, 2026. Mayor Elmore noted the warm conditions in the chamber due to air conditioning issues and asked attendees to silence their cell phones.

INVOCATION

Reverend Tyler Ward, Senior Pastor at First Baptist Church of Dunn gave the invocation.

PLEDGE OF ALLEGIANCE

Council Member Hargis led in the Pledge of Allegiance.

CONSIDERATION & APPROVAL OF THE AGENDA

Motion by Council Member Sills, second by Council Member McNeil to approve the agenda. The motion unanimously approved.

CONSIDERATION & APPROVAL OF THE AGENDA

Mayor Elmore called for any proposed changes to the agenda. Hearing none, a motion to approve the agenda as presented was entertained.

Motion by Council Member Sills, second by Council Member McNeil to approve the agenda. The motion carried unanimously.

PUBLIC COMMENT PERIOD

Jheri Hardaway
 311 North Ellis Avenue

Ms. Hardaway addressed the Council on three (3) matters. First, she expressed gratitude to the Mayor and Commissioner McNeil for their assistance in facilitating stair repairs for an elderly neighbor, 87-year-old Mr. Matthews, noting that the repairs allowed him to continue living independently in his home. Second, she raised concerns about the property at 402 North Orange Avenue, located across the street from an elementary school. She described the property as unmaintained with overgrown grass, a history of open doors, and past issues with rats and a long-standing construction dumpster, expressing concern about public safety, particularly for children. Third, she proposed the creation of a community garden as a potential revenue stream and community engagement tool, citing examples from nearby communities, the possibility of connecting with local schools and nursing homes, and the potential to complement the upcoming farmer's market.

CONSENT AGENDA

Mayor Elmore presented the Consent Agenda items, which included seven (7) items:

- Approval of May 12, 2026 Budget Work Session Minutes
- Approval of May 12, 2026 Work Session Minutes
- Capital Project Ordinance Amendment I – East Bay Street & South Wilson Avenue Stormwater Project
- Capital Project Ordinance Amendment II – Machine & Welding Outfall Sewer Line Improvement Project
- Capital Project Ordinance Amendment II – Water Treatment Plant Land Purchase Project
- Lead & Copper Line Rules – KCI Associates Contract – Amendment I
- Budget Amendment for Various Accounts

Motion by Council Member Bradham, second by Mayor Pro Tem Gauden to approve the Consent Agenda, comprised of items 1 through 7. The motion carried unanimously. *Copies of the Capital Project*

Ordinance Amendment I – East Bay Street & South Wilson Avenue Stormwater Project (O2026-06), Capital Project Ordinance Amendment II – Machine & Welding Outfall Sewer Line Improvement Project (O2026-07) and Budget Amendment (BA-2026-31), Capital Project Ordinance Amendment II – Water Treatment Plant Land Purchase Project (O2026-08), Lead & Copper Line Rules – KCI Associates Contract Amendment I, and Budget Amendment for Various Accounts (BA-2026-29) are incorporated into these minutes as Attachment #1.

ITEMS FOR DISCUSSION & POSSIBLE ACTION

Zoning/Map Amendment

(RZ-26-02)

809 & 811 E Cumberland Street

Public Hearing

Mayor Elmore opened the Public Hearing at 6:38 p.m. and called upon Senior Planner Stephanie Goodrich to present the request. Ms. Goodrich explained that the applicant sought a Zoning Map Amendment from Office & Institutional (O&I) to Highway Commercial (C-3) for properties at 809 and 811 East Cumberland Street. She noted that the Planning Board had reviewed the request on May 5th and issued a unanimous recommendation of approval. Ms. Goodrich emphasized that the hearing was to consider all potential uses permitted under the C-3 classification, not solely the assumed intended use.

Ms. Goodrich described the surrounding context as consistent with commercial development, including undeveloped parking, a gas station, and restaurants, all zoned C-3. She noted that East Cumberland Street is a major thoroughfare and that much of its corridor is already zoned C-1 or C-3. The City's Future Land Use Plan identifies the subject properties as being within a Gateway and Corridor character area, which envisions retail, office, restaurants, entertainment, and similar uses. Staff found the request consistent with Future Land Use Plan policies promoting quality development and appropriate density in gateway and corridor areas.

No members of the public came forward to speak in favor or against the request. The Public Hearing was closed at 6:40 p.m.

Decision

Mayor Elmore noted his intention, carried over from the prior work session, to ensure that the state examines the need for a turn lane in front of the subject property. Ms. Goodrich confirmed that the site plan would be reviewed by the Technical Review Committee, of which NCDOT is a member, providing the opportunity for that evaluation.

Motion by Council Member Wesley Sills, seconded by Mayor Pro Tem Gauden to adopt Option 1 and approve the Zoning Map Amendment to Highway Commercial (C-3) as presented, finding the request consistent with the Future Land Use Plan based on competent, material, and substantial evidence in the record. The motion carried unanimously. *A copy of the Zoning Map Amendment (RZ-26-02) is incorporated into these minutes as Attachment #2.*

Consideration of Data Center Moratorium

Public Hearing

Mayor Elmore opened the Public Hearing at 6:43 p.m. and invited City Manager Justin Hembree to present. City Manager Hembree recapped the background, noting that the Council had received staff presentations on data centers at both the April Regular Meeting and the May Work Session, covering development options, the status of the Unified Development Ordinance (UDO) as it relates to data centers, and the general characteristics of the land use. At the May meeting, the Council directed staff to prepare a moratorium and advertise a Public Hearing for this meeting.

City Manager Hembree explained that the proposed moratorium would impose a 180-day freeze on the permitting of data centers within the City of Dunn's entire planning jurisdiction, including both the City limits and the extraterritorial jurisdiction (ETJ). The primary driver of the moratorium is that the UDO currently contains no definition of "data center" and therefore no applicable land use regulations or development standards. The moratorium would provide staff with the time needed to develop a text amendment, route it through the Planning Board for recommendation, and bring it before the Council for final approval. He noted that other communities have enacted similar moratoriums, and that the 180-day duration is shorter than what many other jurisdictions have adopted. He expressed confidence that staff could meet the timeline and develop standards that balance economic development opportunities with protections for the community.

No members of the public came forward to speak. The Public Hearing was closed at 6:45 p.m.

Decision

The floor was opened for discussion.

Council Member Sills spoke in opposition to the moratorium, arguing that it amounted to a signal of being "closed for business" to outside site selectors and economic development prospects. He expressed concern that a moratorium, even one limited to data centers—could discourage a broader range of businesses from considering Dunn, as site selectors traveling the East Coast would simply move on upon seeing such a restriction. He contended the UDO could be updated quickly by referencing ordinances already in place in nearby municipalities such as Sanford and Fayetteville and characterized the moratorium as "a solution in search of a problem" driven by a national narrative that he believed ultimately disadvantaged communities like Dunn from accessing significant tax revenue. He also noted that modern data centers have substantially improved their operational footprint, citing advances in closed-loop cooling systems and noise reduction, and reiterated his view that the tax revenue generated by data centers could meaningfully support City programs and services.

Mayor Elmore expressed respect for those concerns but disagreed that a single-industry moratorium signals a City-wide closure to development. He noted two (2) specific concerns. First, under the current UDO, a data center could potentially locate in a residential area, which he viewed as a significant risk warranting immediate attention. Second, he expressed concern that data centers—while generating a large tax base—employ relatively few workers and consume significant municipal resources, potentially crowding out other industrial prospects that offer greater employment benefits.

Council Member Hargis offered a conciliatory view, agreeing with points raised on both sides. He acknowledged the concern about signaling but noted that 180 days is a relatively short window in the context of government operations, and that six (6) months is a practical and necessary period for staff to craft appropriate ordinance language. He emphasized that the goal was to ensure data centers, should they choose to come to Dunn, are placed in appropriate locations and subject to clear development standards—rather than arriving under an ordinance that had not been designed with them in mind.

Motion by Council Member Tart second by Council Member Bradham to adopt the 180-day moratorium on the permitting of data centers within the City of Dunn's planning jurisdiction as presented. The motion carried, with one (1) opposing vote – Council Member Sills. *A copy of the Ordinance Instituting a Temporary Moratorium on the Permitting of Data Centers (O2026-09) is incorporated into these minutes as Attachment #3.*

REPORTS & UPDATES

City Manager's Report

Employee Picnic Recap

City Manager Hembree reported on the employee picnic held the previous Friday, describing it as a well-attended and well-received event. He noted that turnout exceeded expectations and that the event provided a valuable opportunity for employees from different departments to interact outside of the work environment. He recognized staff members Connie Jernigan and Brian McNeill for organizing the event despite Connie being unable to attend due to illness. He also acknowledged community partners who made donations to the event: Kim's, which donated side dishes; Carly C's, Sherry's Bakery, and Bernie's, which each donated cakes. City Manager Hembree expressed the intent to make the picnic an annual event.

Council Member Hargis also recognized City Manager Hembree personally for his hands-on involvement in preparing food for the event beginning at 4:00 AM.

Public Information and Outreach

City Manager Hembree provided an update on the City's public information and outreach efforts, noting that while the incoming Downtown Director would eventually assume many of these responsibilities upon joining in July, staff had proactively launched a more consistent social media presence in the interim. Staff members Christy Sweeney and Alex Abling were credited with leading this initiative, which includes weekly employee spotlights and regular project updates posted to the City's Facebook page and other platforms. City Manager Hembree noted positive public response to the increased activity.

FINANCIAL REPORT

Finance Director Cary McNallan presented the Financial Report for the end of April, with the City ten months into its fiscal year against a benchmark of 83.3%. Highlights included cash and investments of \$13.5 million, compared to \$7.6 million at the same point the prior year, with an additional \$4.5 million remaining in the East Side Pump Station Construction Account. Property Tax collections for the month of March totaled \$125,000 compared to \$117,000 the prior year, with year-to-date collections of \$5.7 million. Sales Tax receipts for February were \$301,000, representing a \$44,000 increase over the same month last year, with year-to-date collections of \$2.6 million, or 76% of budget. Building Permit Revenues for April were \$15,310, with year-to-date collections of \$185,000, representing 101% of the Annual

Budget, compared to \$125,000 collected at the same point last year. No questions were raised by the Council.

DEPARTMENTAL REPORTS & PROJECT UPDATES

Code Enforcement

Code Enforcement Officer Alan Canady presented two (2) cases, both from the West Divine Street area. The first involved a complaint regarding a resident operating a small engine repair business out of a residential property. The property owner was cooperative and came into compliance within thirty (30) days. Officer Canady noted the property would continue to be monitored, as the owner is permitted to work on his own equipment but not on equipment belonging to paying customers.

The second case, at 1214 West Divine Street, involved a recently sold property where construction debris and trash had accumulated in the driveway without a permit. A compliance letter was issued, and the property has since been cleaned up. Officer Canady noted that staff are still working to contact the property owners to assess what unpermitted work may have been performed, and the case remains ongoing.

Following the report, Council Member Sills inquired about the property at 402 North Orange Avenue raised during the Public Comment Period. Officer Canady confirmed that staff would follow up on the property, noting that while an active building permit would authorize a construction dumpster, overgrowth and open doors are separate concerns that staff would investigate and address.

Mayor Elmore also acknowledged the collaborative process that resolved the stair repair situation for Mr. Matthews, crediting the resident, Commissioner McNeil, City Manager Hembree, and staff for working together effectively.

ANNOUNCEMENTS

Mayor Elmore made the following announcements:

- The next Dunn City Council Work Session is scheduled for Tuesday, June 9, 2026, at 6:30 PM in Council Chambers.
- The next Dunn City Council Regular Meeting is scheduled for Tuesday, June 23, 2026, also in Council Chambers.
- The deadline for adopting the FY 2026–2027 Budget is Tuesday, June 30, 2026.

CLOSED SESSION

Mayor Elmore announced that the Council would convene in closed session following the meeting for a consultation with the City's attorney.

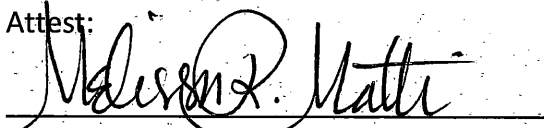
Council Member Sills moved that Pursuant to G.S. 143-318.11(a)(3) the Council go into closed session to consult with its attorney in order to preserve the attorney-client privilege, second by Mayor Pro Tem Gauden. Motion passed unanimously.

Members of the public were dismissed prior to the closed session at 7:10 p.m.

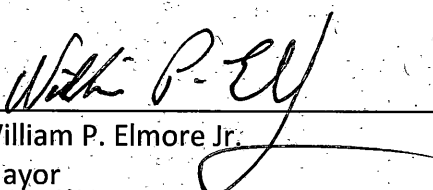
ADJOURNMENT

A Motion was properly made and seconded to adjourn the meeting. Motion carried unanimously.

Attest:



Melissa R. Matti, CMC, NCCMC
City Clerk



William P. Elmore Jr.
Mayor

