

Dunn City Council
Regular Meeting
Tuesday, September 12, 2023
6:30 p.m., Dunn Municipal Building

Minutes

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

Also present: City Manager Steven Neuschafer, Assistant City Manager Billy Godwin, Finance Director Cary McNallan, Chief of Police Cary Jackson, Parks and Recreation Director Brian McNeill, Human Resources Director Connie Jernigan, Public Works Director Dwayne Williams, Assistant Public Utilities Billy Cottle, Administrative Support Specialist Amber Groves, City Attorney Tilghman Pope, and City Clerk Tammy Williams.

CALL TO ORDER AND INVOCATION

Mayor Elmore opened the meeting at 6:30 p.m. and Rev. Dennis Manuel, Pastor of East Granville Street Church of God of Prophecy gave the invocation. Afterwards, Council Member Gaulden led in the Pledge of Allegiance.

AGENDA ADJUSTMENT AND APPROVAL

Motion by Council Member Turnage and second by Council Member Gaulden to adopt the September 12, 2023 meeting agenda as presented with the following additions:

- Consent – Temporary Blocking of Alley – Crossbones
- Special Meeting for USDA. **Motion unanimously approved.**

City Manager Neuschafer introduced the new Assistant City Manager Billy Ray Godwin.

PRESENTATIONS

Special Recognition of Sheldon “Gage” Jackson, Life Saving Award

Mayor Elmore presented a Life Saving Award Proclamation to Gage Jackson for saving a man’s life at the Codrington Park Pool. *A copy of the Proclamation (P2023-10) is incorporated into these minutes as Attachment #1.*

Special Recognition of City of Dunn Police Officers

Chief Jackson recognized Lt. Joseph Byrd, Sgt. Petro “Pete” Moore, Officer Adam Sikorski and Officer Christopher Eason for receiving their Advanced Law Enforcement Certifications.

PUBLIC COMMENT PERIOD

The Public Comment Period was opened by Mayor Elmore at 6:44 p.m. Rhonda Faison of 411 S Elm Ave shared concerns about the accidents that happen at the intersection of Elm and Pope Rd. She stated that there has been nineteen wrecks since she moved there. Having no other comments, the Public Comment period was closed.

CONSENT ITEMS

- Minutes of the August 8, 2023 City Council Meeting.
- Minutes of the August 15, 2023 Special Meeting.
- Constitution Week Proclamation - *A copy of the Proclamation (P2023-11) is incorporated into these minutes as Attachment #2.*
- Special Events Permit – Temporary Blocking of Streets – NC Cotton Festival
- Special Events Permit – Temporary Blocking of Streets – Crossbones Anniversary Event
- Resolution to Respond to FY22 ACFR Audit Findings. *A copy of the Resolution (R2023-29) is incorporated into these minutes as Attachment #3.*
- Budget Amendment FY2023 - *A copy of Budget Amendment (BA2023-24) is incorporated into these minutes as Attachment #4.*

Motion by Council Member Sills and second by Council Member McLean to approve all consent items. **Motion unanimously approved.**

ITEMS FOR DISCUSSION AND/OR DECISION

Ordinance Amendment OA-04-23; Child Care, Drop-in/Short-term

Mayor Elmore opened the Public Hearing at 6:47 p.m. City Manager Neuschafer presented that Ordinance Amendment OA-04-23, which was tabled by the Planning Board and then by the Council since June 28 to give staff time for further research. On August 22, the Planning Board met and reviewed and discussed a revised, more detailed amendment prepared by Planning staff. After extended discussion, the Planning Board voted unanimously to recommend that City Council not adopt this proposed amendment. With no additional comments, the Public Hearing was closed.

Motion by Council Member Turnage and second by Council Member Tart to deny OA-04-23 ordinance amendment as supported by the Planning Board decision. **Motion unanimously approved.**

Ordinance Amendment OA-05-23 – Chapter 21 Sewer Usage

City Manager Neuschafer presented the proposed Sewer Use Ordinance (SUO) to codify the requirements needed by the City to properly operate and maintain order for infrastructure to serve the citizens, businesses, and institutions and to comply with state and federal laws and regulations. The SUO applies to all users of the Sewer Collection System, the Wastewater Treatment Plant, and the Bio-Solids Treatment and Disposal System.

The purpose and policy of the SUO is to protect the City's Sewer Collection System and the Wastewater Treatment Plant from the contribution or discharge of all substances and wastewater from all users, both direct, indirect, intentional, and accidental. The city basically used the state's template and applied to the City's needs. It has been reviewed by the City Attorney.

Council Member Turnage asked if the City has the authority to shut down the business discharging improper substances. City Manager Neuschafer confirmed the city would have that authority as the purpose of the SUO is to safeguard the City's system.

Motion by Mayor Pro Tem Bradham and second by Council Member Gaulden to approve Sewer Use Ordinance Amendment OA-05-2023 as presented. **Motion unanimously approved.** *A copy of the Ordinance (O2023-19) is incorporated into these minutes as Attachment #5.*

Investment of City Cash Reserves

Finance Director McNallan presented information related to long term investments of some of the City's cash reserves. The City of Dunn holds the majority of its cash reserves in an account with the North Carolina Capital Management Trust (NCCMT). This account is invested in short-term, low risk investments and provides the City with a high liquidity of funds. In the past year, as interest rates have been steadily increasing, this investment strategy has been successful for the City. It is estimated that interest rates are at, or near, a high point and are expected to decrease in the future months. He recommended some longer term investments that are relatively low risk but would also lock the investments in for a set period of time, which would limit the liquidity of these cash reserves. Another risk is if the interest rates continue to rise, we will lose out on potential income. He further presented information on laddering the maturity dates to allow for access to cash over staggered terms. Staff is recommending an investment of \$2.5M for an initial three year rolling portfolio, which would increase investment interest earnings.

Motion by Council Member Gaulden and second by Council Member McLean to authorize city staff to discuss investment options with local financial entities in order to gather data and information for decision on investments by the City Council. **Motion unanimously approved.**

Wayfinding Project Capital Project Ordinance

Finance Director McNallan presented proposed capital project ordinance and related budget amendment for the Wayfinding Signage Project. This project was listed in the FY24 Capital Improvements Plan. The project includes installation of wayfinding signage throughout the City to assist citizens and visitors on finding points of interest and various city facilities. Funding will include a \$250,000 transfer from the General Fund which includes \$234,250 of the remaining American Rescue Plan Act revenue replacement funds and \$15,750 of general fund reserves.

City Manager Neuschafer added that the consultant will assist us in getting a proposal out to contractors, so when the bids come back the cost will have to fit in the budget, so we are not sure how many signs at this point. This is the first phase of a long term project. Focus will be on the smaller inner signs at the beginning as it would not be feasible to do the larger gateway signs with the I-95 widening.

Motion by Council Member McLean and second by Council Member Gaulden to approve the capital project ordinance and budget amendment for the City Wayfinding Project as presented, and not to change the logo for five years. **Motion unanimously approved.** *A copy of the Ordinance (O2023-20) and Budget Amendment (BA2024-03) are incorporated into these minutes as Attachment #6.*

Champion Pump Station Conversion to Gravity Flow Capital Project

Finance Director McNallan presented proposed capital project ordinance, reimbursement resolution, and related budget amendment for the conversion of the Champion Pump Station to Gravity Flow Project. Funding will include a \$52,100 transfer from the Water and Sewer Fund reserves and loan proceeds of \$400,000. The loan proceeds would come from internal borrowing from the General Fund Reserves. The terms of the loan would be at a 5.00% interest rate over a five year term. The loan proceeds would be repaid with Water and Sewer Fund revenues.

Public Utilities Director Cottle shared that the project includes eliminating the existing pump station, that is over 47 years old, and converting to a gravity flow operation, which will eliminate the electrical costs and required maintenance of the pump station. It will also address the future growth needs for sewer availability to the vacant parcels in that area. L.E. Wooten and Company has estimated the total cost of the project at \$452,100.

Motion by Council Member Turnage and second by Mayor Pro Tem Bradham to approve the capital project ordinance, reimbursement resolution, and budget amendment for the Champion Pump Station Conversion Project as presented, and authorize the borrowing of funds from the General Fund. **Motion unanimously approved.** *A copy of the Ordinance (O2023-21), Budget Amendment (BA2024-04) and Resolution (R2023-30) are incorporated into these minutes as Attachment #7.*

Tracy Lane Water and Sewer Extension Capital Project Ordinance Amendment

Finance Director McNallan presented an amendment to the capital project ordinance, reimbursement resolution, and related budget amendment for the Tracy Lane Water and Sewer Extension Project for construction services. On July 11, 2023, the City Council approved a capital project ordinance of \$56,400 to fund the engineering costs of the project. The engineers, L.E. Wooten and Company, have estimated the construction costs at \$253,500 and a total project cost of \$361,400. Funding will include a \$56,400 transfer from the Water and Sewer Fund reserves and loan proceeds of \$305,000. The loan proceeds would come from internal borrowing from the General Fund Reserves. The terms of the loan would be at a 5.00% interest rate over a five year term. The loan proceeds would be repaid with Water and Sewer Fund revenues.

Public Utilities Director Cottle shared that the project includes over 600 linear feet of 6-inch water main and appurtenances and over 500 linear feet of gravity sewer main and appurtenances along Tracy Lane to serve five parcels in the City.

Motion by Council Member Turnage and second by Council Member McLean to approve the capital project ordinance, reimbursement resolution, and budget amendment for the Tracy Lane Water and Sewer Extension Project as presented, and authorize the borrowing of funds from the General Fund. **Motion unanimously approved.** *A copy of the Ordinance (O2023-22), Resolution (R2023-31) and Budget Amendment (BA2024-05) are incorporated into these minutes as Attachment #8.*

Major Subdivision Final Plat – Middleton Townes, Phase 1

City Manager Neuschafer presented final plat for the Middleton Townes subdivision, which is a residential neighborhood of 36 duplex units off Friendly Road approved by City Council in September 2017. The development is divided into Phase 1 and Phase 2, with 18 units in each phase. The Final Plat presented for your approval is for Phase 1 (18 units).

All required materials have been submitted and reviewed by staff and found to be complete, per Dunn Unified Development Ordinance (UDO), Article 3 – Development Review Procedures. A Performance Bond has been submitted to ensure proper completion of the infrastructure prior to dedication, per UDO Article 7.03 – Improvements Required. Included in the Bond is a one-year warranty on all improvements. The applicant wishes for the streets and utilities to be accepted as public infrastructure. Public Utilities has reviewed the as-built and accept the utilities for Phase 1 of Middleton Townes subdivision.

Motion by Council Member Sills and second by Council Member Turnage to approve the Major Subdivision Final Plat for Phase 1 of Middleton Townes subdivision and the dedication of all rights-of-ways within Phase 1 of the development. **Motion unanimously approved.**

Resolution requesting Planning & Development Authority from Harnett County – RV Pros Inc.

City Manager Neuschafer presented request from the property owners that the City of Dunn have exclusive zoning and development jurisdiction for their property. This request will be sent to the Harnett County Board of Commissioners for their agreement. Once the agreement has been approved by the County, the City's exclusive planning and development regulations will apply to the entire parcel instead of just a portion of it. This process is outlined in the NCGS 160D-203. Establishing exclusive planning and development regulation jurisdiction to a single unit of local government helps make the development process more efficient.

Motion by Council Member Gaulden and second by Council Member McLean to approve the Resolution and authorize the City Manager to send the Resolution and the Memorandum to the Harnett County Board of Commissioners for their approval. **Motion unanimously approved.** *A copy of the Resolution (R2023-32) is incorporated into these minutes as Attachment #9.*

Acceptance SRF Loan Funding Collection System Improvements

City Manager Neuschafer presented Offer and Acceptance from the NC Department of Environmental Quality Division of Water Infrastructure for SRF funds designated for the Collection System Improvements. Project CS370417-06 which includes CCTV of approximately 1,233 LF of 8-inch and 374 of 10-inch gravity sewer; rehabilitation of 2,161 LF of 6-inch to 8-inch, 18,137 LF of 8-inch, 374 LF of 10-inch, 892 LF of 12-inch, and 699 LF of 15-inch gravity sewer pipe, 109 manholes, 694 VF of manholes, 14,770 LF of sewer service laterals, and 419 sewer services; replacement of 50 LF of 8-inch gravity sewer pipe; installation of four (4) manholes; 12 point repairs; and removal and replacement of pavement, roadways, driveways and curbs, and sedimentation and erosion control devices. The City has been approved for loan assistance from the Clean Water State Revolving Loan (SRF) for Collection System Improvements in the amount of \$3,120,000.

Motion by Mayor Pro Tem Bradham and second by Council Member Turnage to adopt the resolution making the applicable assurances contained therein and accepting the State Revolving Loan offer of \$3,120,000 for Collection System Improvements. **Motion unanimously approved.** *A copy of the Resolution (R2023-33) is incorporated into these minutes as Attachment #10.*

Acceptance ARP Funding Sewer AIA Study

City Manager Neuschafer presented the Offer and Acceptance from the NC Department of Environmental Quality Division of Water Infrastructure for ARP funds designated for the Asset Inventory and Assessment (AIA) Study. Project AIA-W-ARP-203. The City has been approved for ARP Funds from the State Fiscal Recovery Fund for Sewer AIA Study in the amount of \$400,000.

Motion by Council Member Turnage and second by Council Member McLean to adopt the resolution making the applicable assurances contained therein and accepting the ARP Funding offer of \$400,000 for Sewer AIA Study **Motion unanimously approved.** *A copy of the Resolution (R2023-34) is incorporated into these minutes as Attachment #11.*

Set Special Meeting

Motion by Council Member McLean and second by Council Member Gaulden to set a Special Called Meeting of the Council for Tuesday, September 19, 2023 at 5:00 p.m. in Council Chambers at the Dunn Municipal Building for the following purpose:

- Approval of USDA Grant/Loan for Vehicles
- Possible Closed Session

Motion unanimously approved.

Administrative Reports

City Manager Neuschafer presented updated goals. He updated Council on the BRIC grant applications submitted. One of our two projects have been chosen to move forward. This project was to move the fresh water treatment operations out of the flood plain and relay a couple of lines to the plant. Mayor Elmore added we have 20 major projects going on in the city right now, which is a lot.

Finance Director McNallan provided the following financial report for the period ending August 31, 2023:

- The City has \$5,982,507 cash, compared to \$10,876,199 last year. The decrease is primarily due to unreimbursed grant/loan proceeds for capital water and sewer project expenditures.
- Water and Sewer Revenues for the month were \$684,734 with total collected year to-date at \$975,192 or 12.2% of budget, compared to \$1,191,285 in 2022.
- Property Taxes are \$47,777, compared to \$95,491 last year.
- Sales Tax receipts were \$299,473, with total collected year to-date at \$2,913,714 or 91.4% of FY23 budget.
- Utilities Sales Taxes received for the year is \$664,992, compared to \$668,806 last year.
- Building Permit Fees collected total \$33,646 or 21% of budget compared to total collected last year of \$20,349.
- General Fund expenditures for month are \$1,369,438, with total expensed to-date at \$2,178,738 or 17.3% of Budget, compared to \$2,244,267 in 2022. Revenues to-date are \$546,184.
- Water and Sewer fund expenditures for the month are \$499,912, with total expensed to-date at \$792,860, or 9.97% of budget, compared to \$1,430,470 last year. Revenues to-date are \$1,037,695.
- Stormwater fund expenditures for the month were \$49,085, with total expenses to-date of \$50,267, or 12.5% of budget.
- The benchmark for this period is 16.7% of budget.
- McNallan also updated on debt service and liens and assessments.

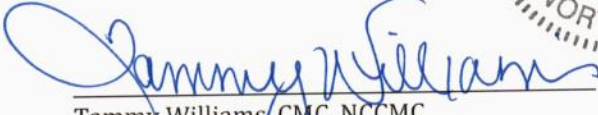
Reports were also received as follows: Planning and Inspections Report, Public Works Report, Public Utilities Report, Parks and Recreation Report and Police Report.

Announcements/Information

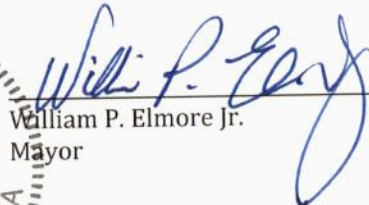
Mayor Elmore announced upcoming events and activities.

With no further business to discuss, motion by Council Member Sills and second by Council Member McLean to adjourn the meeting at 7:36 p.m. **Motion unanimously approved.**

Attest:


 Tammy Williams, CMC, NCCMC
 City Clerk




 William P. Elmore Jr.
 Mayor