

Dunn City Council

Work Session

Tuesday, October 14, 2025
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, Alan Hargis, and Dr. David L. Bradham.

Also present: City Manager Justin B. Hembree, Assistant City Manager Billy R. Godwin, Finance Director Cary McNallan, Mayor Nick Simmons, Captain Matt Smith, Captain Johnathan Butler, Administrative Support Specialists Christy Sweeney, City Attorney Tilghman Pope, and City Clerk Melissa Matti.

CALL TO ORDER:

Mayor Elmore called the meeting to order at 6:30 PM on Tuesday, October 14, 2025. He welcomed everyone and confirmed that a quorum was present to proceed with the meeting.

INVOCATION AND PLEDGE OF ALLEGIANCE

Council Member Tart led the invocation and the Pledge of Allegiance.

CONSIDERATION & APPROVAL OF THE AGENDA

Motion by Council Member Bradham, second by Mayor Pro Tem Gaulden, to approve the agenda. Motion carried unanimously.

CONSENT AGENDA

- Approval of September 23, 2025 Regular Meeting Minutes
- Special Event Permit / Temporary Blocking of Streets—DACC Christmas Parade Extravaganza
- Special Event Permit / Temporary Blocking of Street—Another Barbershop Customer Appreciation—Thanksgiving Meal

City Manager Justin Hembree noted that the time for the Another Barbershop event should be corrected from 8 AM - 7 PM to 11 AM - 5 PM. Council Member Tart inquired about police coverage for the event. Mayor Pro Tem Gaulden confirmed that one officer would be needed.

Motion by Council Member McNeil, second by Council Member Hargis, to approve the consent agenda items with the time correction for the Another Barbershop event. Motion carried unanimously.

ITEMS FOR DISCUSSION & POSSIBLE ACTION

STREET CLOSING POLICY

Assistant City Manager Godwin presented the Proposed Street Closing Policy that was initially discussed at the February Budget Retreat and subsequently at the March 11, 2025, and April 8, 2025 Council Work Sessions. The policy had been updated to include Friends Fighting Cancer as a pre-approved event.

The proposed policy contains eight (8) pre-approved Special Event Street Closures: a. The Annual MLK Parade; b. The Lucknow Music Festival; c. The Broad Street Block Party Series; d. The Friends Fighting Cancer Fund Raiser; e. The Juneteenth Celebration; f. The Cotton Festival; g. The Christmas Tree Lighting Extravaganza; and h. The Annual Christmas Parade.

During discussion, Mayor Pro Tem Gaulden advocated for adding the Another Barbershop Customer Appreciation Pre-Thanksgiving Meal to the pre-approved list since it was a community event that local businesses supported. Council Member Hargis initially expressed concern about adding an individual business event, noting that the other pre-approved events were committee-based, but ultimately agreed after learning that the Another Barbershop event had a committee and community support. It was suggested, and Council agreed that "Customer Appreciation" should be removed from the event title.

Council members also discussed whether street closures should be handled by staff rather than coming before the Board each time. Council Member Bradham supported delegating this authority to staff for events that meet the criteria, particularly for the pre-approved events. Assistant City Manager Godwin noted that staff could handle pre-approved events more easily but noted that the criteria in paragraph 8 for other events would involve some discretionary judgment. He noted that the policy, as drafted, would need some revision to account for staff delegation and Council acknowledged that some revision was required.

City Attorney Pope suggested placing non-routine closures on the consent agenda, which could be pulled for discussion if needed.

Motion by Council Member Hargis, second by Mayor Pro Tem Gaulden, to approve the Street Closing Policy with the addition of the Annual Another Barbershop Pre-Thanksgiving Meal to the preapproved events list and to allow staff to handle approvals for events that meet the policy criteria without Council approval. Motion carried unanimously. A copy of the Resolution presented to Council to Adopt a Policy for the Temporary Closing of Public Streets in the City of Dunn (R2025-46) is incorporated into these minutes as Attachment #1.

FY25 FINANCIALS AND FUND BALANCE PRESENTATION

Finance Director Cary McNallan presented unaudited financial figures for the fiscal year ending June 30, 2025. Key points included:

For the General Fund:

- Budget of \$15,520,233 with Actual Revenues of \$16,213,526, yielding a surplus of \$693,293
- Expenditures were under budget by \$988,755
- Operating income of \$900,910 before Fund Balance Appropriations
- After accounting for \$2,443,955 in Fund Balance Appropriations, including \$1,373,927 to pay off the Harnett Training School debt and Pearsall Street funding, the net result was a \$1,543,045 reduction in Fund Balance
- Ending Fund Balance of \$3,048,283, approximately 25% of Expenditures

For the Water & Sewer Fund:

- Budget of \$8,675,075 with Actual Revenues of \$8,772,069, yielding a surplus of \$96,994
- Expenditures were under budget by \$386,189
- Operating Income of \$26,104 before Fund Balance Appropriations
- After accounting for \$2,241,691 in Fund Balance Appropriations, the net result was a \$2,215,587 reduction in Fund Balance
- Ending Fund Balance of \$2,873,017, approximately 38.7% of Expenditures

For the Stormwater Fund:

- Operating Income of \$211,964
- No Fund Balance Appropriations
- Ending Fund Balance of \$138,586, a positive outcome after previously having a negative balance

For FY26 concerns, McNallan noted:

- The FY26 adopted budget already includes \$303,217 in General Fund Balance Appropriations
- Additional appropriations to date of \$488,475 have been made for various projects
- Potential future appropriations could further impact fund balance
- Need to maintain at least 25% fund balance to avoid Local Government Commission concerns

City Manager Hembree emphasized that while the City needs to be careful with fund balance appropriations, the City's financial position remains solid, with no cash flow concerns. *A copy of the FY26 Financials Fund Balance Presentation is incorporated into these minutes as Attachment #2.*

CAPITAL PROJECT ORDINANCE CODRINGTON PARK IMPROVEMENTS PROJECT

Finance Director McNallan presented a Capital Project Ordinance for the recently purchased house at 400 East Townsend Street to improve access to Codrington Park. The estimated budget is \$188,385.

Mr. McNallan initially recommended financing \$148,000 through a bank loan with the remainder funded from the General Fund. However, during discussion, Council Members questioned the need to finance the project immediately, especially since there was uncertainty about whether the house would be moved or demolished.

Council Members and the City Attorney agreed it would be more cost-effective to fund the project entirely from fund balance for now, avoiding loan origination fees and other financing costs, particularly since the property might be sold in the future.

Motion by Council Member Billy Tart, second by Council Member April Gaulden, to approve the Codrington Park Improvement Capital Project Ordinance, the Reimbursement Resolution, the Budget Amendment, and approve staff to go out and get financing options. Motion carried unanimously. *Copies of Codrington Park Improvement Capital Project Ordinance (O2025-22), Reimbursement Resolution (R2025-47), and Budget Amendment (BA-2025-8) are incorporated into these minutes as Attachment #3.*

DUNN/CUMBERLAND COUNTY JOINT WATER STUDY MEMORANDUM OF UNDERSTANDING

City Manager Hembree presented a proposed Memorandum of Understanding with Cumberland County to conduct a joint study regarding possible agreements for the purchase of bulk water and/or water plant capacity. Key components include:

- Joint selection of an engineering firm through an RFQ process
- 50/50 cost sharing for the study
- Cumberland County wishes to purchase approximately 1.8 MGD of bulk water, in addition to the 1.2 MGD already allocated to Eastover Sanitary District and the Town of Falcon

- Deliverables would include draft bulk water purchase agreements, hydraulic modeling, proposed infrastructure improvements, capacity analysis, and funding source analysis

Mr. Hembree explained that Cumberland County is developing a county-wide water system in response to groundwater contamination issues and is looking to partner with the City of Dunn rather than building their own water treatment plant. He noted that the study would help determine what infrastructure improvements would be needed to deliver water to Cumberland County.

Motion by Council Member Hargis, second by Council Member Bradham, to approve the Memorandum of Understanding with Cumberland County and authorize staff to make any needed technical or administrative adjustments that do not change the overall intent of the MOU. Motion carried unanimously. A copy of the MOU with Cumberland County is incorporated into these minutes as Attachment #4.

BANK FINANCING

PEARSALL STREET CULVERT PROJECT

Finance Director McNallan requested authorization to solicit proposals from local banks for installment financing of \$499,000 for the Pearsall Street Culvert Project. The loan terms would include annual payments over a period of no more than 59 months, which would not require Local Government Commission approval. The loan would be repaid from the Stormwater Fund over five (5) fiscal years at an estimated annual payment of \$115,000.

Council Member Hargis expressed frustration with how long the project has taken and supported moving forward with the financing.

Motion by Council Member Hargis, second by Council Member Sills, to approve the staff to issue requests for proposals for bank financing for the Pearsall Street Culvert Project. Motion carried unanimously.

CITY MANAGER'S REPORT

City Manager Justin Hembree provided several updates:

- **Pickleball Courts:** Parks and Recreation Director McNeill reported that the pickleball court conversion project is progressing well. Work has begun with patching and grinding the surface, and installation of the in-ground posts for nets. The fencing contractor will start work on Thursday, followed by resurfacing next week. The project will create six (6) pickleball courts and one (1) tennis court, with expected completion by the next Council Meeting.
- **City Office Hours:** City Manager Hembree announced that Summer Hours have ended, and the City is transitioning to year-round hours of 8 AM to 5 PM for all public-facing departments. Some departments, like Finance, are offering extended hours from 7:30 AM to 5 PM, while Public Works crews may start earlier in the morning when not directly serving the public.
- **Paving Project:** City Manager Hembree reported that all contracts have been signed and returned to the contractor and engineers. Bond documents are being finalized, and a pre-construction meeting will be scheduled soon. Paving crews are expected to be deployed within 2-3 weeks.
- **Personal Update:** City Manager Hembree announced that he has sold his house and signed a contract, with a closing date of November 14th. He is looking forward to moving into the City of Dunn soon.

ANNOUNCEMENTS

Mayor Elmore announced:

- The next Regular Council Meeting will be Tuesday, October 28, 2025, at 6:30 PM
- This was the last Work Session for 2025, with the next Work Session scheduled for January 2026

CLOSED SESSION

Motion by Council Member Hargis, second by Council Member McNeil, to go into closed session to discuss personnel matters as allowed by North Carolina law. Motion carried unanimously.

The Council entered closed session to discuss personnel matters at 7:55 p.m.

ADJOURNMENT

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

Attest:

Melissa R. Matti
City Clerk

William P. Elmore, Jr.
Mayor

