

**Dunn City Council**  
**Regular Meeting**  
**Tuesday, October 17, 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 R Godwin, Finance Director Cary McNallan, 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, Assistant Public Utilities Billy Cottle, Donrie Dukes, Wastewater Treatment Plant Superintendent, Ian Stroud, Water Treatment Plant Superintendent, 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 Reverend Jacob Dye with Divine Street United Methodist Church gave the invocation. Afterwards, Council Member Turnage led in the Pledge of Allegiance. Mayor Elmore recognized the newly elected officials in the audience, Raquel McNeil – Ward 3 and Alan Hargis – Ward 5.

### AGENDA ADJUSTMENT AND APPROVAL

Motion by Council Member Turnage and second by Council Member Sills to adopt the October 17, 2023 meeting agenda as presented with the addition of Temporary Blocking of City Parking at Tyler Park lot, Veterans Park for October 28. **Motion unanimously approved.**

### CONSENT ITEMS

- Minutes of the September 12, 2023 City Council Meeting and September 19, 2023 Special Meeting
- Retirement Resolution – Captain Johnny Royal. *A copy of the Resolution (R2023-39) is incorporated into these minutes as Attachment #1.*
- Resolution Declaring Badge and Service Weapon Surplus and Awarding upon Retirement – Captain Johnny Royal. *A copy of the Resolution (R2023-40) is incorporated into these minutes as Attachment #2.*
- Conveyance of Personal Property to Buies Creek Fire Department. *A copy of the Resolution (R2023-41) is incorporated into these minutes as Attachment #3.*
- Halloween Resolution - *A copy of the Resolution (R2023-42) is incorporated into these minutes as Attachment #4.*
- Temporary Street Closings – Christmas Tree Lighting/Christmas Parade
- Temporary Parking Lot and Street Closings – Cotton Festival Revision and Car Show Addition
- Temporary Parking Lot Closing – Flava Eats Food Fest at Tyler Park
- Property and Liability Insurance Coverage FY2024 - *A copy of the Resolution (R2023-43) is incorporated into these minutes as Attachment #5.*
- American Rescue Plan Act – Adoption of City Policies - *A copy of the Resolution (R2023-44) is incorporated into these minutes as Attachment #6.*

Motion by Mayor Pro Tem Bradham and second by Council Member Gaulden to approve all consent items. **Motion unanimously approved.**

### PRESENTATIONS

#### Captain Johnny Royal Retirement Recognition

Chief Jackson presented the Retirement Resolution to Captain Royal.

#### Reading of Veterans Day Proclamation

Council Member Turnage read the Veterans Day Proclamation. *A copy of the Proclamation (P2023-12) is incorporated into these minutes as Attachment #7.*

### PUBLIC COMMENT PERIOD

The Public Comment Period was opened by Mayor Elmore at 6:42 p.m. Cindy McNeil, David Patterson and Travis McNeill spoke to Council concerning the need for a water tap for Walkers Chapel at 4234 Ashe Avenue. With no additional comments, the Public Comment period was closed.

### ITEMS FOR DISCUSSION AND/OR DECISION

#### CZ-02-23: Conditional Zoning – 207 Sunny Avenue

Mayor Elmore opened the Public Hearing at 6:45 p.m. Planning Director Adler presented a request to conditionally rezone one parcel +/- .19 acres, located at 207 Sunny Avenue, between West Cumberland Street and West Divine Street. The property is currently zoned R-10, Single-Family Dwelling District and is proposed to be rezoned to C-3 CZD, Highway Commercial Conditional Zoning District.



At their September 26, 2023, meeting, the Planning Board reviewed the request to rezone 207 Sunny from R-10 to C-3 CZD to permit the existing single-family detached to be used as barber shop/beauty salon, with a submitted site plan; and to limit the number of permitted uses. The paved driveway entrance covers the water and sewer laterals. Staff recommended that the City add the condition that the property owner accept financial responsibility for any damage to the lateral (water meter, clean-out, etc.) from the edge of pavement, rather than from the front property line. The owner has agreed to this condition. A neighborhood meeting was held at 207 Sunny. No concerns about the rezoning request were expressed. The Planning Board voted unanimously to recommend that the City Council adopt this rezoning as presented.

Staff Report findings presented were:

- The amendment, if small scale, is reasonable based upon surrounding conditions.  
REASONING: The conditional rezoning from residential (R-10) to C-3 CZD proposed for this parcel will limit the number of permitted uses in C-3 as one of the conditions proposed by the owner. The rezoning will permit a barber shop/beauty salon in a pre-existing building with pavement for parking already in place. The only immediate change to the parcel will be increased buffering of new fencing and landscaping. This amendment will be small scale and reasonable based on surrounding conditions.
- The impact to the adjacent property owners and the surrounding community is reasonable, and the benefits of rezoning outweigh any potential inconvenience or harm to the community.  
REASONING: The impact on the surrounding property owners would be reasonable. New fencing and landscaping outside the fence will help screen the property from adjacent neighbors. The adjacent property to the north, though zoned R-10, has been a dry cleaner for a long time. The subject property had been used as a hair salon previously, so there should be limited impact on neighbors. The benefits of the conditional zoning proposed are expected to outweigh any inconveniences the rezoning may cause.
- The amendment is warranted due to changed or changing conditions in the area.  
REASONING: The amendment is warranted due to growth. The conditional zoning application shows the site plan proposed and the only uses that will be permitted in the future: the proposed hair salon/barber shop, banks & financial institutions, dry cleaning & laundry, games & arcades, personal care services, pet care services, and studios. These limitations allow commercial activity, while limiting its impact on the residential neighborhood of which it is a part.
- The amendment achieves the purpose and is consistent with the Land Use Plan.  
REASONING: The Future Land Use Map identifies this site as a Gateway and Corridors Character Area. Converting a residential structure into a commercial use, while limiting the number of permitted future uses, conforms to this character area.

Staff concludes that this Conditional Rezoning to C-3 CZD at this location on Sunny Avenue conforms and is consistent with the Future Land Use Plan.

John Willoughby, owner of Sunny Cleaners spoke in favor of the rezoning. With no additional comments, the Public Hearing was closed.

Motion by Mayor Pro Tem Bradham and second by Council Member Sills to approve CZ-02-23, the request to rezone 207 Sunny Avenue, PIN 1516-29-2345.000, from R-10 Single-family to C-3 CZD, Highway Conditional Zoning District, limiting future uses to the proposed site plan for a hair salon/barber shop, and banks & financial institutions, dry cleaning & laundry, games & arcades, personal care services, pet care services, and studios as it conforms and is consistent with the Future Land Use Plan, and require that the property owner accept financial responsibility for any damage to the lateral (water meter, clean-out, etc.) from the edge of pavement, rather than from the front property line. **Motion unanimously approved.**

#### **CZ-03-23: Conditional Zoning – Susan Tart Rd**

Planning Director Adler informed Council that this item was tabled at the Planning Board meeting to give time to the developer to put a little more detail into their site plan and for planning staff to do a little research on how other cities, in the area, handle such cases. The planning board is expecting to see the revisions next week at the meeting. Samantha Wullenwaber will be coming as a representative of the Regional Council to speak to the Planning Board about her experience with these types of cases and how various other cities handle them.

Motion by Council Member Tart and second by Council Member Gaulden to table CZ-03-23, until the Planning Board can review the applicant's revised site plan. **Motion unanimously approved.**

#### **CZ-04-23: Conditional Zoning, Corner of Longbranch Rd and US301S**

Mayor Elmore opened the Public Hearing at 7:03 p.m. Planning Director Adler presented request to conditionally rezone one parcel 3.5 acres +/- at the northeast corner of 301 South and Long Branch from R-20 Single-family Residential District to C-3 CZD, Highway Commercial Conditional Zoning District. The request included a site plan for a 10,000 +/- square foot structure for a variety/grocery store with parking, landscaping, and storm water control. The Planning Board voted unanimously to recommend that the Council adopt this request as presented, including limiting the uses to be permitted on the site to the twenty uses in C-3 listed in the Staff Report.

Staff Report findings presented were:

- The amendment, if small scale, is reasonable based upon surrounding conditions.  
REASONING: The conditional rezoning to C-3 CZD proposed for a variety/grocery store is reasonable based on surrounding conditions. The parcel is currently 3.5 acres of trees, the area is sparsely populated, and existing uses to the south and west are all office or industrial. The developer has proposed only a limited number of uses usually permitted in C-3 to be permitted in this location as part of the CZD as follows: hotel/inn; bank/financial institution; general commercial, not thrift store; professional



office/service; Restaurant; business associations/non-profits; civic clubs; child care/adult day care (8 or less); child care/adult day care (more than 8); medical clinic; Hospital; museum/library/cultural facility; post office; public administration/ civic meeting facilities; religious institutions; research & development services; vocational school; sports arena; studio (art, dance, etc.); theater, indoor movie or live performance; and nurseries and garden centers.

- The impact to the adjacent property owners and the surrounding community is reasonable, and the benefits of rezoning outweigh any potential inconvenience or harm to the community.

REASONING: The impact on the surrounding property owners would be reasonable. The adjacent parcels to the north and east are zoned residential, though only the parcel to the east is used as residential, with an occupied single-family home on it. The parcel to be rezoned is on the corner of two important roads: 301 and Long Branch. It is located less than one mile from an I-95 interchange (exit 71). Existing trees will remain to buffer the single-family home from this development. Having a store in this location will be a benefit to outweigh any anticipated inconvenience to the community. The applicant has agreed to use exterior material such as Hardi-Plank, masonry, or similar material on at least 80% of the front and sides of the structure.

- The amendment is warranted due to changed or changing conditions in the area.

REASONING: The amendment is warranted because our area is growing. The applicant has agreed to voluntary annexation. The site plan submitted for this C-3 CZD rezoning shows specifically what is being approved for this site, so decision makers know the size of the structure, parking, buffering, etc. This is a positive development.

- The amendment achieves the purpose and is consistent with the Land Use Plan.

REASONING: The Future Land Use Map identifies this site as an Office & Industrial Character Area, though Long Branch Highway Commercial is also appropriate. The proposed site plan and other proposed conditions all conform to the Future Land Use Map.

Staff concludes that the Conditional Rezoning to C-3 CZD at this location at the corner of 301 South and Long Branch with the proposed site plan and with the proposed limitations on the number of future permitted uses conforms and is consistent with the Future Land Use Plan.

Thomas Neville, Land Use Attorney spoke on behalf of the developer. With no additional comments, the Public Hearing was closed.

Motion by Council Member Turnage and second by Council Member Gaulden to approve CZ-04-23, the request to rezone the 3.5 +/- acres at the northeast corner of 301 South and Long Branch Road from R-20 single-family residential to C-3 Highway Commercial CZD, to permit the development of the site plan presented for a variety/grocery store and limit the future use of the parcel to only the uses included in Staff Report, as with the proposed site plan and with the proposed limitations on the number of future permitted uses conforms with and is consistent with the Future Land Use Plan. **Motion unanimously approved.**

#### **Annexation ANX-02-23, Corner of Longbranch Road and US301 S**

City Manager Neuschafer presented for consideration a petition requesting the voluntary non-contiguous annexation of property located on the corner of Longbranch Rd and US 301 S, PIN #1515-16-0072.000, 3.5 acres.

Motion by Council Member Sills and second by Council Member Turnage to adopt the Resolution Directing the City Clerk to Investigate the Voluntary Annexation Petition ANX-02-23 as presented. **Motion unanimously approved.** *A copy of the Resolution (R2023-45) is incorporated into these minutes as attachment #8.*

#### **Naming of Municipal Street**

City Manager Neuschafer presented a request to adopt an official E-911 road name for a new street that has been constructed by NC DOT due to the I-95 widening construction project. The street connects Jackson Rd with Interstate Drive and is across from the Tart Park entrance to the Community Building and the Recreation Center. A request was submitted to the E911 addressing to investigate the proposed name and it came back with no conflicts for 911 purposes from Sampson, Johnston, Cumberland, and Harnett County.

Motion by Council Member McLean and second by Council Member Gaulden to adopt "Dorman-Tart Road" as the name of the street connecting Jackson Rd to Interstate Drive. **Motion unanimously approved.**

#### **Investment Services**

Finance Director McNallan highlighted investment services for consideration. KS Trust, Wealth, and Investment Management currently serves about ten other municipalities for investments. They have an annualized fee of .2%, which on the \$2,000,000 portfolio, is about \$200. Based on a hypothetical \$2 million investment, their projected yield would be about 5.41%. The Lighthouse Group, which is Truist bank, does not currently serve any municipalities for investment services. They did offer a .15% Management fee, which would be \$250 based on a \$2 million portfolio and their net yield would be 5.3%. And then finally, First Citizens Wealth Management which currently serves 126 million municipalities throughout the four-state region, so they do have a considerable amount of experience. Their annualized fee was .45 percent which would be \$750 per month on a \$2 million portfolio, with a net yield of 5.05. Staff is recommending that we go with KS Trust. Currently, the City investments are in the CMT investment account, which is Capital Management trust and is earning around 5 1/2%. The idea of doing these long-term investments is if interest rates start to go down, we can lock in some of these long-term investments over a one to three-year term, because the CMT account follows the Federal Reserve so it will go down if the feds interest rate goes down. This is a way to lock in higher interest earnings for a longer period.



After discussion, motion by Council Member Turnage and second by Council Member McLean to authorize City staff to enter into an investment services agreement with KS Trust Wealth & Investment Management and invest up to \$3M of cash reserves into long term (0-3 years) instruments and brief Council twice a year. **Motion unanimously approved.**

#### Water Treatment Plant Equipment Project

Finance Director McNallan presented a capital project ordinance to establish a fund for recording the expenditures and funding sources for this project. Funding will include a transfer of \$185,200 from the Water and Sewer Fund reserves.

Water Plant Superintendent Stroud shared that the project includes upgrades to the filter consoles and rehabilitation of the concrete clear well tanks. Both projects are located at the Water Treatment Plant.

**FILTER UPGRADE/REPAIR:** To repair and replace critical infrastructure components for the operation and control of the four filter rates and the disinfection process at the WTP.

**REHABILITATION OF TWO CLEARWELLS:** To limit the possibility of foreign contaminants from being able to leach into the clear wells through small cracks in the concrete structure and contaminate our potable water supply. He shared specific information concerning both projects to show the importance of proceeding.

The estimated costs for the filter console project are \$86,000 and the estimated costs, for the clear well tanks project, are \$99,200.

Motion by Council Member Sills and second by Council Member McLean to approve the capital project ordinance and budget amendment for the FY24 Water Treatment Plant Project as presented. **Motion unanimously approved.** *A copy of the Ordinance (O2023-23) and Budget Amendment (BA2024-06) are incorporated into these minutes as Attachment #9.*

#### Administrative Reports

City Manager Neuschafer advised the council that during the spring round of funding, the City of Dunn was awarded a Clean Water State Revolving Fund loan of \$2,805,150 for stormwater quality. He also gave an update on the contract for inspections on dilapidated houses and said once due diligence was handled, the properties would be brought to council.

Finance Director McNallan provided the following financial report for the period ending September 30, 2023:

- The City has \$4,815,173 cash, compared to \$11,741,110 last year.
- Water and Sewer Revenues for the month were \$690,130, with total collected year to-date at \$1,665,322 or 20.8% of budget, compared to \$1,786,458 in 2022.
- Property Taxes are \$189,241.
- Sales Tax receipts were \$318,170, with total collected year to-date FY2023 at \$3,231,883 or 101% of budget.
- Utilities Sales Taxes received for the year is \$817,966 for FY2023, compared to \$668,806 in FY2022.
- Building Permit Fees total collected is \$58,421 or 36.5% of budget compared to total collected last year of \$28,210.
- General Fund expenditures for month are \$880,686, with total expenses to-date at \$3,154,720 or 23% of Budget, compared to \$3,191,082 in 2022. Revenues to-date are \$873,161.
- Water and Sewer fund expenditures for the month are \$591,958, with total expensed to-date at \$1,562,229, or 14.5% of budget, compared to \$2,043,250 last year. Revenues to-date are \$1,763,864.
- Stormwater fund expenditures for the month were \$3,335, with total expenses to-date of \$53,682, or 13.4% of budget. Revenues to-date are \$118.
- The benchmark for this period is 25% of the 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.

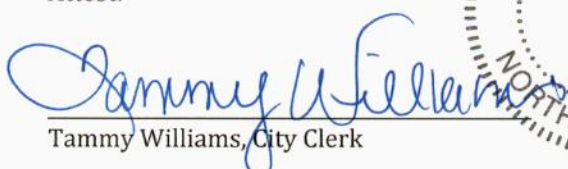
City Manager Neuschafer added that the City did receive a direct state appropriation from the recently approved state budget for drinking water/wastewater. Appropriations, after the fee that is reserved by the North Carolina DEQ, is \$6,887,000, so that will be available for Wastewater/Water and possibly Stormwater expenditures. Mayor Elmore added that this is an absolute grant like other monies we have received for our sewer situation. So, our representatives in Raleigh are really looking out for the city and we are very thankful for that help.

#### Announcements/Information

Mayor Elmore announced upcoming events and activities including the run-off for Mayor on November 7.

With no further business to discuss, motion by Council Member Sills and second by Council Member Gauden to adjourn the meeting at 7:44 p.m. **Motion unanimously approved.**

Attest:

  
Tammy Williams, City Clerk



  
William P. Elmore Jr., Mayor