

**Dunn City Council**  
**Special Call Meeting**  
**Tuesday, April 22, 2025**  
**5:00 p.m., Dunn Municipal Building**

## Minutes

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

**ABSENT:** Council Member April Gaulden

*Also present: City Manager Steven Neuschafer, Assistant City Manager Billy R. 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, Collections and Distribution Manager Billy Cottle, Water Plant Manager Ian Stroud, Wastewater Plant Manager Donrie Dukes, Administrative Support Specialist Sydney McKoy, and City Attorney Tilghman Pope.*

### CALL TO ORDER

Mayor William P. Elmore, Jr. called the meeting to order at 5:00 PM on Tuesday, April 22, 2025, in the Dunn Municipal Council Chambers. He welcomed those in attendance and those watching online.

### PLEDGE OF ALLEGIANCE

Council Member Tart led the Pledge of Allegiance.

### PRELIMINARY FY26 BUDGET INFORMATION PRESENTATION BY FINANCE DIRECTOR, CARY McNALLAN

#### General Fund Revenue and Expenditures

Finance Director Cary McNallan presented preliminary budget information for FY26. He noted that taxable property values had increased by \$18,900,000, which would generate additional revenue for the city. The source of this increase was not specified, but could include new housing, remodeling of existing properties, or new commercial development. *A copy of the slideshow presentation is incorporated into these minutes as Attachment #1.*

#### Employee Wage Adjustments

Mr. McNallan proposed a 2.75% salary increase for all employees on July 1, 2025, and a merit increase of 0-2% for eligible employees on January 1, 2026. He mentioned that since January 2024, about one-third of employees who left the city cited higher pay elsewhere as their reason for leaving.

#### Employee Benefits

Mr. McNallan discussed increases in retirement rates mandated by the state. The general employee rate would increase by 0.69%, while the police employee rate would increase by 1.06%. He also estimated a 10% increase in health insurance costs, noting that rates had not increased in the previous year when the provider changed from Blue Cross Blue Shield to Aetna.

#### New Employee Requests

Mr. McNallan presented requests for new positions in various departments:

- Planning and Inspections: Building Inspector and Code Enforcement Officer
- Public Works Garage: Mechanic
- Parks and Recreation: Recreation Program Manager
- Senior Citizen Center: Manager
- Water and Sewer Fund: Utility Compliance Specialist and Utility Maintenance Mechanic
- Water Treatment Plant: Two Plant Operation Specialists

Department heads provided additional context for these requests:

- Dwayne Williams explained that the new Mechanic position would assist with vehicle maintenance and repairs, potentially reducing outsourced work.
- Brian McNeil described the Recreation Program Manager role as focused on non-athletic programs and classes for adults and seniors.
- Billy Cottle discussed the need for a Utility Compliance Specialist to handle increased locate requests due to fiber optic installations.
- Ian Stroud explained that the two Plant Operation Specialists would improve safety and coverage during night shifts at the Water Treatment Plant.

#### New Vehicle Requests

Mr. McNallan presented requests for new vehicles:

- Planning and Inspections: Pickup truck
- Public Works: Cab utility tractor and grapple truck
- Public Utilities: Asphalt planer

Dwayne Williams provided details on the need for the cab utility tractor and grapple truck, citing aging equipment and increased demand. Billy Cottle explained that the asphalt planer would improve efficiency in road repairs and reduce waste disposal costs.

### Capital Projects Requests

Mr. McNallan outlined several capital project requests, including:

- Computer server replacement: \$150,000
- Downtown pocket park grant match: \$42,500
- Parks and Recreation maintenance storage facility: \$100,000
- Two pickleball courts: \$100,000
- Water Treatment Plant flocculator replacement: \$500,000
- Maintenance building: \$183,000

### Utility Rates and Fees

Mr. McNallan proposed increases to water and sewer rates to cover increased debt and operational costs:

- Water base rate: 10% increase
- Water usage rate: 12% increase
- Sewer base rate: 17% increase
- Sewer usage rate: 19% increase
- Garbage rate: 2.73% increase

He also proposed minor increases to stormwater fees.

### Lead Service Line Replacement

Ian Stroud provided an update on the lead service line inventory, estimating that approximately 800 galvanized service lines may need replacement by 2030. He noted that only one lead service line had been detected in the system so far.

### Budget Timeline

Mr. McNallan outlined the next steps in the budget process, including the preparation of the recommended budget, public hearing, and adoption in June.

### DISCUSSION AND QUESTIONS

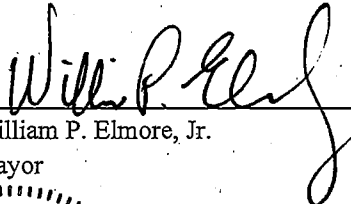
Council members asked various questions throughout the presentation, including:

- Clarification on the number of existing and proposed positions
- Details on vehicle replacements and new equipment requests
- Information about the lead service line replacement program
- Comparisons of utility rates with surrounding communities

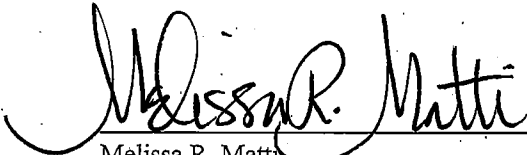
The council requested more detailed justifications for new positions and equipment in future meetings.

### ADJOURNMENT

Motion by Council Member Bradham, seconded by Council Member Hargis to adjourn the meeting. The motion passed unanimously.

  
 William P. Elmore, Jr.  
 Mayor

Attest:

  
 Melissa R. Matti  
 City Clerk

