

Dunn City Council
Special Meeting
Tuesday, April 28, 2022
6:00 p.m., Dunn Municipal Building

Minutes

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

Also present: City Manager Steven Neuschafer, Assistant City Manager Mathew Boone, Finance Director Jim Roberts, Public Utilities Director Heather Adams, Chief of Police Clark White, Police Major Cary Jackson, Planning Director George Adler, Parks and Recreation Director Brian McNeill, Human Resources Director Connie Jernigan, Librarian Mike Williams, Communications Coordinator Kaitlin Adkins and City Clerk Tammy Williams.

CALL TO ORDER AND INVOCATION

Mayor Elmore opened the meeting at 6:00 p.m. and Council Member Gaulden gave the invocation. Afterwards, Council Member Tart led in the Pledge of Allegiance.

ITEMS FOR DISCUSSION AND/OR DECISION

Consider North Carolina Environmental Management Commission Special Order by Consent (SOC)

Public Utilities Director Adams presented the draft SOC agreement between the City of Dunn and the North Carolina Environmental Management Commission. The City was placed on a sewer moratorium in May 2021 due to Inflow and Infiltration related to sanitary sewer overflows and flow exceedances at the Black River WWTP. Council has approved funding for various sewer improvement projects that will reduce inflow/infiltration and sanitary sewer overflows. The SOC encompasses the approved projects and allocates new wastewater flow to the City initially upon SOC execution and as each identified project is completed and accepted. The eight projects are identified in the SOC and once each project is completed and certified, the State will release specified amounts of flow with total allocation to be released for life of SOC of 1.5 million gallons per day. Staff also requested some upfront allocation. Once SOC is completely executed the State will release the initial allocations. Penalties were negotiated for a settlement amount of \$15,063.69 out of the water and sewer operating budget. Quarterly reporting and updates will be required.

After discussion, motion by Council Member Sills and second by Council Member McLean to accept the conditions set forth in the Special Order by Consent and authorize the City Manager to execute the SOC agreement on behalf of the City of Dunn. **Motion unanimously approved.** *A copy of the SOC is incorporated into these minutes as Attachment #1.*

Sewer Allocation Policy and Procedures – Review and Discussion

City Manager Neuschafer reviewed the draft procedures and process for allocating sewer taps. The City of Dunn has made significant public investment in improvements and increased capacity to the City's wastewater (sewer) treatment facilities to support future growth and to ensure adequate collection and treatment of wastewater. Recognizing that the capacity of the treatment and disposal facilities is finite and adding additional capacity is expensive, this Wastewater Allocation Policy is proposed to direct growth to areas most appropriate for the efficient provision of the City's wastewater service while also establishing a framework for tracking this limited resource. This policy is to effectively allocate available wastewater capacity to new developments as a means of maintaining a reasonable balance of land-uses in a fair manner.

This Policy sets out a process to award points for use and design standards proposed by developers and investors. More points are awarded for desired land-uses such as Job Creation, Entertainment and other uses promoted in the Imagine Dunn Vision Plan. Points will also be earned for the overall design of the development, including but not limited to: housing constructed with materials that extend the life of the home and enhance the overall look of the neighborhood. Incorporating sidewalks, greenways, trails and transportation enhancements in and around the development will also earn additional points. This cannot take place until the completed SOC is received.

Proposed Budget FY 2022-2023 – Review and Discussion

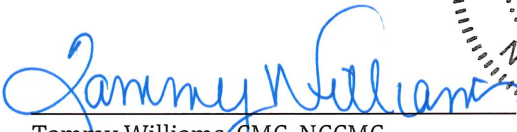
City Manager Neuschafer and Finance Director Roberts presented the initial draft budget for review and discussion. Neuschafer told Council there are still some things up in the air such as the property tax revaluation. We have received the proposed tax levy, which is about a 25% increase over last year. It is too early to count on that number before all adjustments have been done. He explained how the total revenue was calculated and that the current tax rate is 50 cents. The rate using the budget without evaluation would be 44.9 cents or 45 cents equivalent tax rate (revenue neutral budget), which has to be published with the budget ordinance. He reviewed the other items that mostly impacted the budget such as Health Insurance, Salary Study, COLA and Merit raises, Requested Staff Positions – Public Works, Police, Finance, Water and Sewer, Stormwater Fees, Water and Sewer Rates and Solid Waste. He further reviewed the various construction projects related to Stormwater, Paving, Public Services Complex, Firing Range, Park to Park Trail and Wayfinding. He shared that the City, through SEPI, is trying to put together a partnership with NC DOT for paving projects and the Park to Park Trail to help reduce cost and attract contractors for the projects.

Council Member Sills asked about the City Hall and the Police Locker Rooms. Neuschafer said that the City Hall is currently on the backburner and the locker rooms seem to be a huge expense for a facility that may be replaced in the next few years. He added the focus is currently on the Public Services Complex. Roberts confirmed that \$500,000 was added to the general fund last fiscal year but we are not anticipating that much this year. Mayor Pro Tem Bradham asked about the growth and Neuschafer said that it will definitely help but it will not be realized for a couple of years. Neuschafer added that this budget has used every dollar of the projected revenue based on the 50 cents tax rate. Debt Service and budget changes that will be presented at the next budget meeting due to the reorganization of Public Works and Parks and Recreation were also discussed.


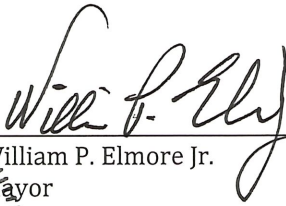
The Water and Sewer Fund which is budgeted on an eight percent increase with growth and fee increase was reviewed. The Eastover project is paid off so that is now just income coming in. He told them about the reserve on contingency for emergencies or to add to fund balance. He added that the enterprise funds should be self-supporting, which is what we are working toward. He explained how much chemical and other costs have significantly increased. He added that the change in fees has been incorporated into the stormwater fund proposed budget. If Council decided not to move forward with the new formula, staff would go back to the original budget without the fee increases.

With no further business to discuss, motion by Council Member Sills and second by Council Member Gaulden to adjourn the meeting at 7:57 p.m. **Motion unanimously approved.**

Attest:



Tammy Williams, CMC, NCCMC
City Clerk

William P. Elmore Jr.
Mayor