

Dunn City Council
Special Meeting
Tuesday, May 23, 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, Communications Coordinator Kaitlin Adkins, City Attorney Tilghman Pope and City Clerk Tammy Williams.

CALL TO ORDER AND INVOCATION

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

ITEMS FOR DISCUSSION AND/OR DECISION

FY 2022-2023 Budget Review and Discussion

City Manager Neuschafer presented his budget message to the Council. He shared that the COVID-19 pandemic has altered lives and the way we govern unlike any time in recent history. It has restricted movement; access to goods and services; payment for utilities; resulted in loss of income; and in some cases, life. We are slowly seeing changes that bring us back to normal and spending by each department is reverting to pre-pandemic levels. We also see inflation and global unrest affect everything we do and how we do it. During preparation of the budget, the projected revenues have been continually updated as information becomes available with the largest changes related to the revaluation of property.

Fee increases proposed are:

- Garbage, yard waste, and recycling rate increase (4%) is a result of the contractual increase.
- Water rate increase (7%) will continue to replenish the fund balance and cover the increased cost of department led repair projects.
- Sewer rate increase (8%) is needed to pay for debt service on sewer projects and meet NC Department of Environmental Quality requirements.
- Stormwater fees will be based on an Equivalent Residential Unit (ERU), calculated based on our average single residential unit, which contains 2,900 square feet of impervious space. The cost will continue to be \$3.50 per month (\$42.00 annually) for a single family unit and it will be billed on the Tax Bill released and collected by Harnett County. There will be a minimum of \$120 annually (equal to the current rate billed) for non-residential property. Each non-single family property was measured and issued an impervious footage which is then multiplied by the ERU to establish the amount of fee required for the property with a maximum fee for a parcel of \$1,470 per year. The increase in funding is needed to continue to improve Stormwater run-off collection and reduce impacts of short duration storms.

Items not included in the proposed budget include the wayfinding project, park to park trail, Public Services Facility design and construction and any additional goals Council may add.

The following are proposed personnel changes:

- Water and Sewer: utility inspector to assist with the numerous projects underway and upcoming and Geographical Information Systems (GIS) technician.
- Finance: accountant/purchasing assistant (this fall) to assist with the utilization of purchasing and billing for the city and help with transition due to planned staff retirement.
- Restructuring of Police Department, council approvals for new pay structures and one position (January 2023) for a Lieutenant, to assist and direct training for staff.
- Public Works: full time Street Maintenance position and an additional Facility Maintenance worker.
- The COLA proposed for this year is 3%. Additionally, the City may award up to a 2% merit increase based upon employee evaluations, effective after January 1, 2023.

The estimated revenues and expenditures for the fiscal year is proposed at \$13,235,000 compared to \$11,817,950 last year with highlights as follows:

REVENUES: GENERAL

- A. Ad Valorem taxes: \$4,850,000 based on the new valuation, collection rate of 98% and tax rate remaining at \$.50 per \$100 valuation.
- B. Sales tax: \$2,800,000, which is a 3.4% increase from collections in 2021.
- C. DMV current year taxes estimated at \$410,000, an increase of 6.5%.
- D. Powell Bill and License Tag Fee restricted fund balances: \$530,000 allocated for street resurfacing projects.
- E. Garbage, Recycling, and Debris Collection rate: Combined into one fee of \$25.25, increase of \$1.00 = 4.1%.
- F. Stormwater rate change will be added to the Tax bill generated by Harnett County.

EXPENDITURES: GENERAL

- A. COLA increase: 3% for all employees
- B. Merit increase: up to 2%, effective January 1, 2023
- C. Retirement contribution for state retirement: increases from 11.42% to 12.15% for general employees and 12.04% to 13.04% for sworn law enforcement officers.
- D. 401K contribution for all employees: remains at 5%
- E. Health, Dental, and Life insurance cost: premium is calculated at \$7,792 per employee per year.
- F. Rooms to Go incentive: rebate budgeted for \$302,000
- G. Personnel changes

The proposed FY 2022-2023 Water/Sewer Fund Budget is \$7,900,000 compared to \$7,601,000 last year.

REVENUES: WATER – SEWER

- A. Basic water rate increase from \$15.70 to \$17.00 and block rate from \$4.80 to \$5.20 per 1000 gallons.
- B. Basic sewer rate increase from \$15.40 to \$17.00 and from \$6.74 to \$7.30 per 1,000 gallons.
- C. Bulk purchaser rate will increase by 6.67%.
- D. Industrial user rate increase from \$15.70 to \$17.00 base rate, block rate beginning at \$5.20 from \$4.80 per 1000 gallons up to 500,000 gallons; \$3.10 from \$2.90 per 1000 gallons above 500,001 gallons.

Expenditures will include the same staffing changes as the General Fund.

STORMWATER

Change of Stormwater rate and borrowing to fund major project work identified by engineering studies currently underway. Expenses will include

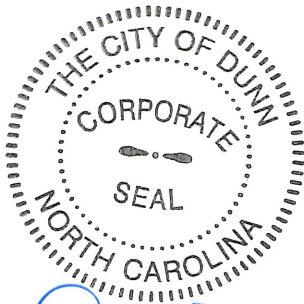
- A. Engineering and Contracted Services to provide for projects approved by Council.
- B. Capital Outlay for funding street sweeper purchase.
- C. Major project work funded by borrowing.

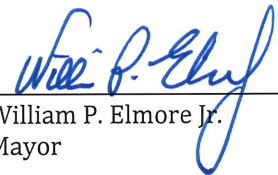
The estimated revenues and expenditures for stormwater this fiscal year is proposed at \$2,900,000.

Finance Director Roberts then reviewed the fee schedule.

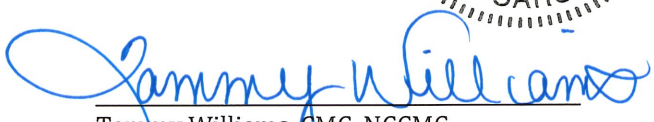
With no further business to discuss, motion by Council Member Sills and second by Council Member Gaulden to adjourn the meeting at 7:16 p.m. **Motion unanimously approved.**

Attest:





William P. Elmore Jr.
Mayor



Tammy Williams, OMC, NCCMC
City Clerk