

Dunn City Council
Special Meeting
Monday, August 1, 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, Frank McLean, Billy N. Tart, and Chuck Turnage. **Absent:** April Gaulden

A copy of the Written Waiver of Notice is incorporated into these minutes as Attachment #1.

Also present: City Manager Steven Neuschafer, Assistant City Manager Mathew Boone, Finance Director Jim Roberts, Planning Director George Adler, Interim Public Works Director Dwayne Williams, Administrative Support Specialist II Debra Creighton, City Attorney Tilghman Pope, and City Clerk Tammy Williams.

CALL TO ORDER AND INVOCATION

Mayor Elmore opened the meeting at 6:00 p.m., gave the invocation and then led in the Pledge of Allegiance. He acknowledged Council Member Gaulden's absence and noted that she was out due to personal reasons. Mayor Elmore expressed the importance for Council to come to some decisions on these items so that staff can move forward.

ITEMS FOR DISCUSSION AND/OR DECISION

Sewer Allocations Policy

In March of 2021, The Department of Environmental Quality placed the city on a sewer moratorium based on wastewater overflows stemming from inflow and infiltration (I&I) of stormwater into the city's wastewater collection system. As part of the process to rehab and repair the system, the city reached an agreement with the Department of Environmental Quality to allow new flow into the system based on a number of extensive projects that are designed to address the I&I into the collection system. In that agreement, new flow in the system will be allowed to be allocated on a predetermined and agreed upon amounts based on the amount of corrected I&I per project.

Due to being restricted on the amount of new flow allocation, and the need for flow to be distributed equitably and fairly, the city worked with The Stewart Group to develop this allocation policy. This policy will ensure the city is able to provide access to smaller developers and business owners availability to new flow into the system and that flow does not all go to one or two developers. It also gives staff and Council the ability to promote and approve smart and stable growth within the city. This policy was first introduced to Council at a Special Meeting held on April 28, 2022. He then presented the overall allocation disbursement as presented in the proposed policy:

10% Infill Development = 15,000 Gallons per day (GPD) – approx. 40 Permits
 25% Industrial Development = 37,500 GPD
 25% Retail Development = 37,500 GPD
 40% Residential Development = 60,000 GPD – approx. 166 Permits

The SOC determines when we get additional allocations and we are not able to increase until a project is complete. Anything below 20,000 GPD for commercial can be signed off by the City Manager. Neuschafer shared that the next project is the I&I project and it will be at least twelve months before that project is complete. Goal is for Council to agree on the proposed percentages and scoring.

Assistant City Manager Boone reviewed the policy with council and added that any development with less than twenty lots can be approved by the City Manager. The developer will complete the application and then staff reviews before bringing to council for approval. The minimum amount of points needed is 55 for a development to be considered for allocations. Discussion followed on the percentages for allocations. Council Member Tart expressed concern that only 25% was allocated for commercial. Mayor Elmore added that residential developers are currently waiting for this decision and if the allocation is not allowed for residential, we do not know if they will still be interested later. He added that retail stores determine if they will come here based on rooftops and agreed this is a tough decision. Council Member Tart said there is a lot of interest in the I-95 area right now due to traffic, not rooftops. City Attorney Pope added that "a retail deal is going to take at least six months to get to the closing on the site. So really you are trying to get through the next six months." Council Member Tart recommended 40% for commercial, 25% for both residential and industrial and we can review the percentages again in six months to make changes, if needed. Pope confirmed that the policy could be changed monthly, if council so desired. Mayor Elmore added "there is hope based on Attorney Pope's comments and after twelve months, we will be in a much better position for allocations." Mayor Pro Tem Bradham stated that "we all agree there is not a perfect solution, we just need to do our best and come back if we need to make any changes." Boone added that staff can keep council updated on the allocations.

After additional discussion, motion by Council Member Sills and second by Council Member Turnage to adopt sewer allocations policy, score system and City Manager's authority as presented. **Motion approved with Council Member Tart opposed.**

Street Maintenance Spending Proposal

City Manager Neuschafer presented proposal from SEPI for a street maintenance project. He reviewed the funds available and amount needed for a loan to have a \$2 million project. This will allow us to put some in every bucket, the maintenance bucket, resurfacing and overlay bucket. This will allow SEPI to get bidders for the project and do a sizable amount of work and get the project completed by the spring of next year. Without a loan, it would take all of the City's reserves. Finance Roberts went through the numbers and suggested a

loan of \$1million at 3% for 59 months with a payment of \$215,000 a year. Plans were to do a project every other year, which was working well until staff couldn't get bidders. By keeping funds available, it will allow for larger projects every other year. Neuschafer said that projects will be based on priorities, with staff review, prior to being presented to council. Public Works Director Williams gave an update on how they are currently handling potholes and updated on the number of potholes repaired recently.

After more discussion, motion by Council Member Sills and second by Council Member McLean to accept SEPI agreement, pending review by the City Manager and City Attorney, and to allow Finance Director to get bids for a loan for \$1 million dollars for a \$2 million street maintenance project. **Motion unanimously approved.**

Mayor added he would like to move forward approving plan and funds as quickly as possible.

Stormwater Projects Spending Proposal

City Manager Neuschafer shared that the proposed list of stormwater projects were presented at the budget planning retreat with preparations to select a group of stormwater projects to send in for funding at the fall grant submission. The grant criteria has been announced this month and the City will not be eligible for any grants through the state. Instead staff recommends applying for a low interest loan for any stormwater project in the 2022-23 budget. With the new rate structure, the City should be able to accomplish a \$1-2M project. We need to decide on a project and have some preliminary engineering completed for loan application. He reviewed amended list from retreat of proposed stormwater projects.

- Stormwater Mapping, which has started and been funded.
- Westhaven Subdivision
- Cole Street
- Juniper Creek
- Watauga Ave property
- Johnson St Bridge
- E Bay Street to Juniper Creek

Council Member Tart asked how far staff has got on ditch maintenance, as he felt this made a huge difference on Elm. "We need to get water flowing before large projects." Neuschafer said staff has completed some projects on Elm and Clinton and still trying to get the railroad to allow us to do some clean out under and around tracks behind Dunbar Foods. He added that "if we have to hire a railroad contractor, it will be extremely expensive. Staff will continue to work on ditch maintenance but it is not something staff can work on every week." Some of the projects, Public Works Director Williams is now working at Fayetteville and S McKay and there are no easements so it takes a lot more coordination to get these projects completed.

Council Member Turnage asked how is the best way for council to prioritize these projects and Neuschafer suggested severity and frequency. He added that ditch maintenance is critical, so if we don't stay on top of it we are going to have issues. However, "the projects on this list need construction to get any reprieve from frequency of the rainfall issues. Juniper creek is the big project that would have to be taken in phases."

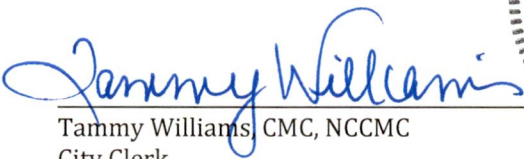
Council Member Sills expressed concerns in district one and emphasized the need to do something as it is very dangerous. Discussion followed on the Westhaven and Friendly Road options. The lack of utility easements and the need to secure was then discussed. Discussion followed on the significant cost to get estimates for the various projects. Neuschafer added "we have estimates on Westhaven, Cole and Watauga, but they would need to be updated to today's numbers." All the projects were discussed. Mayor Elmore expressed the importance of getting response from the railroad.

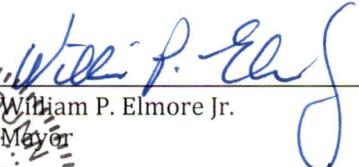
After additional discussion, consensus was to get projected costs for the projects and funding information to assist Council with prioritizing these projects. Neuschafer said that he will try to have ballpark estimates with projected timelines at the September meeting. Mayor and Council strongly expressed the need for increased ditch maintenance and the need to acquire easements as maintenance is performed.

City Manager Neuschafer gave an update on staff recruitment

With no further business to discuss, motion by Council Member Turnage and second by Mayor Pro Tem Bradham to adjourn the meeting at 8:31 p.m. **Motion unanimously approved.**

Attest:


Tammy Williams, CMC, NCCMC
City Clerk


William P. Elmore Jr.
Mayor

