

Dunn City Council
Regular Meeting
Tuesday, December 13, 2022
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, April Gaulden, Frank McLean, Billy N. Tart, and Chuck Turnage.

Also present: City Manager Steven Neuschafer, Assistant City Manager Mathew Boone, Outgoing Finance Director Jim Roberts, Finance Director Cary McNallan, Public Utilities Director Heather Adams, 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, 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 6:30 p.m. and introduced two Triton High School students, Berkley Campbell and McKenna Moore attending the meeting for class credit. He gave the invocation and led in the Pledge of Allegiance.

AGENDA ADJUSTMENT AND APPROVAL

Motion by Council Member Sills and second by Council Member Gaulden to adopt the December 13, 2022 meeting agenda as presented. **Motion unanimously approved.**

PRESENTATIONS

Special Recognition – Council Member Tart

Mayor Elmore presented a Resolution of Appreciation to Council Member Tart in recognition of his many years of service to the Dunn Area Tourism Authority. Tart was also presented a gift from the Tourism Authority by Director Cristy Bullock. *A copy of the Resolution (R2022-49) is incorporated into these minutes as Attachment #1.*

New Employee Introductions

Chief Jackson introduced Officers Jonathan Hall and Tracy Jackson.

PUBLIC COMMENT PERIOD

The Public Comment Period was opened by Mayor Elmore at 6:45 p.m. Having no comments, the Public Comment period was closed.

CONSENT ITEMS

- Minutes of the October 24, 2022 and November 15, 2022 City Council Meeting.
- Special Event Permit – Temporary Blocking of Streets, Martin Luther King, Jr Parade
- Assignment of Authorized Personnel for Banking Access. *A copy of the Resolution (R2022-50) is incorporated into these minutes as Attachment #2.*
- Budget Retreat Location – Beaufort Hotel, Beaufort NC

Motion by Council Member Tart and second by Council Member Sills to approve all consent items. **Motion unanimously approved.**

ITEMS FOR DISCUSSION AND/OR DECISION

Ordinance to Extend the Corporate Limits, Voluntary Annexation Petition ANX-03-22, RP Wellons CECO LLC

Mayor Elmore opened the Public Hearing at 6:46 p.m. City Manager Neuschafer presented the petition for voluntary contiguous annexation of property located north of Friendly Rd at T Intersection with Powell Ave, identified in the Harnett County Registry as PIN #1517-16-0758.000 and 1517-15-4365.000. If approved, the annexation would be effective January 1, 2023. With no additional comments, the Public Hearing was closed.

Motion by Council Member Sills and second by Council Member McLean to adopt the ordinance to extend the corporate limits of the City of Dunn as presented. **Motion unanimously approved.** *A copy of the Ordinance (O2022-12) is incorporated into these minutes as Attachment #3.*

Hazard Mitigation Plan Amendments

Justin Hembree, Executive Director with the Mid-Carolina Council of Governments presented the proposed amendments to the Cape Fear Regional Hazard Mitigation Plan, which includes Harnett County and the cities of Dunn, Lillington, Coats, Angier, and Erwin. These amendments provide wording to recognize the need for flood proofing generators for water and sewer as well as flood proofing other aspects of the systems. It is important for this to be in the Hazard Mitigation Plan for funding and infrastructure security. He also thanked the Council and staff for their continued support of the Mid-Carolina Council of Government throughout the years.

Motion by Council Member Turnage and second by Council Member Bradham to approve the Resolution adopting the amendments to the Hazard Mitigation Plan. **Motion unanimously approved.** *A copy of the Resolution (R2022-51) is incorporated into these minutes as Attachment #4.*

Comprehensive Pedestrian Plan Update 2022

Planning Director Adler presented the City of Dunn Comprehensive Pedestrian Plan Update for 2022, which was funded through a state DOT grant with a five percent City match. The state selected Stantec as the consultant to lead the process and write the plan. The public engagement process helped determine priority recommendations, along with safety, connectivity, constructability, and accessibility. The Planning Board voted unanimously to recommend adoption of the Plan update. Council Member Sills recommended a special meeting of council to determine best way to implement plan.

After discussion, motion by Council Member Turnage and second by Council Member Sills to adopt the City of Dunn Comprehensive Pedestrian Plan Update, 2022 as presented. **Motion unanimously approved.** *A copy of the Comprehensive Pedestrian Plan with 2022 Updates are filed with the City Clerk.*

Land Use Plan and Future Land Use Plan Map

Planning Director Adler presented the Future Land Use Plan and reviewed the differences from the draft plan adopted on June 14, 2022. This Plan and Map replaced in its entirety the 2030 Land Use Plan that had been completed in 2005. The adoption of the draft in June was due to NC General Statute 160D requiring that all local governments with zoning ordinances have an updated Land Use Plan by July 1, 2022. The final Land Use Plan and Future Land Use Map incorporates minor technical revisions in the narrative portion of the plan. The policies, character areas, and map did not change. The Planning Board reviewed the final Land Use Plan and Future Land Use Map and voted unanimously to recommend adoption.

Motion by Council Member Gaulden and second by Council Member McLean to adopt the Land Use Plan and Future Land Use Map as presented. **Motion unanimously approved.** *A copy of the Land Use Plan and Future Land Use Plan Map are filed with the City Clerk.*

Joint Resolution with Harnett County Board of Commissioners to Sell Real Property located at E Edgerton St

City Manager Neuschafer presented a Joint Resolution with the Harnett County Board of Commissioners to allow for the sale of real property located on E Edgerton to Robert Lee Crowell, Jr with a total upset bid price of \$43,253.41, which includes advertising for notice of sale of \$4,353.41. Resolution was initially passed at the December 14, 2021 Council Meeting to authorize sell to Dunkin Deals LLC after the property is sold with "Notice to sell Real Property with Invitation for Upset Bids." The property has been advertised and the bid upset for nineteen times with the upset bid made by Mr. Crowell. The initial offer was for \$7,500. Proceeds from selling the property will be divided equally between the County and the City.

Motion by Council Member Gaulden and second by Council Member Tart to adopt the Joint Resolution to authorize the Sale of the property to Robert Lee Crowell, Jr. as presented. **Motion unanimously approved.** *A copy of the Resolution (R2022-52) is incorporated into these minutes as Attachment #5.*

Resolution and Orders for Closing Multiple Alleys

City Manager Neuschafer requested Council consider closing all of the following alleys with the exception of #4 due to a gas line being in the alley.

Quadrant I

1. between N Fayetteville Ave and N King Ave and W Cole St and W Granville St
2. between N Layton Ave and N McKay Ave and W Cole St and W Granville St
3. between N Layton Ave and N McKay Ave and W Cole St and W Granville St
4. between N King Ave and N Layton Ave and W Cleveland St and W Vance St
5. between N McKay Ave and N Layton Ave and W Cleveland St and W Vance St
6. between N Ellis Ave and N McKay Ave and W Vance St and W Cleveland St
7. between N McKay Ave and N Ellis Ave and W Carr St and W Johnson St
8. between N Orange Ave and N Ellis Ave and W Cleveland St and W Carr St

Quadrant II

9. between N Elm Ave and N Magnolia Ave and E Vance St and E Cleveland St
10. between N Elm Ave and N Washington Ave and E Vance St and E Harnett St

Staff has had the utilities located at each proposed street closing and the alley between N King and N Layton; and W Cleveland and W Vance did have natural gas lines. Staff would like additional time to study how to best proceed with closing this alley #4. The Public Hearing was held at the November 15, 2022 Council Meeting. Council Member Sills questioned if the curb cuts would be removed and Neuschafer stated that the staff would look at each individual situation to determine.

Motion by Council Member Turnage and second by Council Member McLean to adopt a Resolution of Order for each alley to be closed as presented above with the exception of #4. **Motion unanimously approved.** *A copy of the Resolutions are incorporated into these minutes as follows:*

R2022-53 (Attachment #6)

R2022-54 (Attachment #7)

R2022-55 (Attachment #8)

R2022-56 (Attachment #9)

R2022-57 (Attachment #10)

R2022-58 (Attachment #11)

R2022-59 (Attachment #12)

R2022-60 (Attachment #13)

Offer and Acceptance of SRF Loan for the Black River WWTP Improvements

City Manager Neuschafer shared that in November 2021, Council authorized Staff to move forward with the Wooten Company’s proposal to prepare an updated 20-year Capital Improvement Plan and a System Development Fee Study. System Development Fees (old term was impact fees) are one-time charges assessed to new water and/or sewer customers for their use of system capacity and serve as an equitable method by which to recover up-front system capacity costs from those using system capacity. NC General Statute 162A Article 8 provides for the uniform authority to implement system development fees for public water and sewer systems in NC and was passed by the NC General Assembly in July 2017. Local Governments had to comply with the law prior to July 2018. In June 2018, the City of Dunn stopped charging impact fees and decided not to complete the study at that time. In the last year, the City has seen a tremendous interest in residential and commercial development. In order to keep up with the growth, the water and sewer system will continue to require a significant amount of capital investments which these fees will be used to offset those costs.

David Malinauskas, PE and James Pflaum, EI with The Wooten Company presented the elements for the development of the Capital Improvement Plan, which was emailed to Council for review. The plan prioritizes the top 5 projects for water and sewer as follows:

<u>Water System</u>	<u>Wastewater System</u>
1. Champion PS Replacement	1. WTP Upgrade
2. Loves Truck Stop PS Force Main Replacement	2. Transmission Main Improvements (repl. 16" to 18")
3. Area 8 and 20 Rehab	3. 12" Water Main on NC 55
4. Area 9 Rehab	4. Reconnect Water Main on N. Orange
5. Area 11 Rehab	5. Replace 16" AC Water Main

There were no questions concerning the Capital Improvement Plan.

Gary Hartong, PE and Genevieve Versteeg, PE with The Wooten Company presented the results of the System Development Fee (SDF) Study. SDF’s must recover costs for providing the same level of service to new customers and must be directly connected to the improvements and cover a 5 to 10-year analysis period, and then a study must be done for review and adjustments. They presented to Council the various steps of the study prior to completion. Conclusions of the study are:

- 1. Dunn may consider implementing SDFs using Combined Cost Methodology to collect fees for necessary rehabilitation plus expansion/extension.
- 2. Water and Sewer SDFs have been calculated to reflect 5-year forthcoming capital improvements costs.
- 3. Using 0.50% annual growth, maximum allowable water SDFs will generate approximately \$2.4 million over 5 years.
- 4. Using 0.50% annual growth, maximum allowable sewer SDFs will generate approximately \$5.0 million over 5 years.

The next step will be to hold a 45-day Public Comment Period and Public Hearing prior to adoption by the Council. The CIP needs to be adopted prior to the SDF or with the SDF. Hartong shared most local governments charge \$500 to \$2000 for Residential Water hookup and the maximum calculated for Dunn is \$990. Harnett County charges \$2000, Johnston \$1800 and Fayetteville PWC charges \$634. For Wastewater the range is from \$500 to \$3000, with Dunn’s maximum calculated at \$2117. Harnett charges \$2500, Johnston - \$3800 and Fayetteville PWC \$1107. Public Director Adams shared additional fee charges from local communities with Council. Hartong confirmed that the plan is a 5-year plan and will have to be updated after 5 years to maintain the fee. After discussion, Council Member Sills recommended adopting the CIP and hold the Fee decision until January.

Motion by Council Member Sills and second by Council Member Turnage to adopt the resolution approving the City of Dunn 2023-2043 Water and Wastewater Capital Improvement Plan as presented **Motion unanimously approved.** *A copy of the Resolution (R2022-61) is incorporated into these minutes as Attachment #14).*

Update on Black River WWTP Improvements Project

City Manager Neuschafer told Council that the process of the project design build contract with TA Loving for the WWTP Improvement Project has started. The project was initially estimated at \$4 million but since that time the updated estimate has increased significantly, which will be addressed by Mike Slusher of DMP.

Mike Slusher reviewed the project timeline with the design process now at sixty percent. He reminded Council that the project doesn’t expand treatment capacity, it only improves the ability to handle the capacity at peak flows, which will help handle overflows and get the city out from under the SOC. At 30% completion of design, the project’s cost estimate was increased to \$11.5 to \$12.5 million. TA Loving is doing another cost estimate at this time and when it is complete, we will have the maximum price of the project. He then reviewed the project as contracted. In explaining the increase in estimates, Slusher talked about future expansion considerations, geotechnical conditions, infrastructure marketplace, along with material cost and supply availability.

Mayor Elmore and several council members expressed frustration over the huge increase of the estimate for this project and they felt the explanation was incomplete. Mayor Elmore added that he understands several items were left out of the initial estimate. He reminded Slusher that there has been a long standing relationship with DMP and he feels this will hurt the confidence of the council in DMP for future projects. Council Member Sills added that they missed the boat by 300%. Mayor Pro Tem Bradham requested that DMP look at lowering some of their fees on this project while Council Member Tart recommended checking to see if their insurance covers such an incident.

Slusher said that DMP does value the relationship with the city and will do “whatever we can to regain your trust”. He further acknowledged that there were some items left out and errors made and DMP is very sorry for this mistake. He shared that DMP is looking at ways to cut the cost of the project with changes that will not impact the performance of the project.

Neuschafer reminded Council that this is a required project for the SOC and staff does have a plan for financing this extra expense by shifting funds from the \$30million grant to supplement this project and to locate additional funding for the last project.

Offer and Acceptance of SRF Loan for the Black River WWTP Improvements

Public Utilities Director Adams presented loan offer from Division of Water Infrastructure for a State Revolving Fund (SRF) loan to make improvements at the Black River WWTP in the amount of \$3,626,000. Debt service is expected to begin 2024-2025. This is a 30-year loan at 0.13% interest rate.

After discussion, motion by Council Member Sills and second by Council Member Turnage to adopt the resolution making the applicable assurances contained therein and accepting the State Revolving Fund loan offer of \$3,626,000, for improvements at the Black River WWTP. **Motion unanimously approved.** *A copy of the Resolution (R2022-62) is incorporated into these minutes as Attachment #15).*

Administrative Reports

City Manager Neuschafer presented The BRIC (Building Resilient Infrastructure and Communities) grant program from FEMA for consideration. Budgeting for the City’s matching funds will be required for the FY 24/25. This program requires an environmental review after award, which will take at least 9-12 months to complete. Both projects have initially scored really well.

The funds requested are outlined in the attached letters which will need to be approved as the final attachment to the grant application, for the January 6 deadline. If both grants are approved, the total funds required will be \$4.8M with the federal share at \$12M.

Motion by Council Member Turnage and second by Council Member McLean to authorize the City Manager to apply for BRIC Grants for the Raw Water Project and the Hwy 301 Sewer Project as presented. **Motion unanimously approved.** *(A copy of the Local Match Fund Commitment Letters are incorporated into these minutes as Attachment #16)*

He also reported on a major failure on the Juniper Creek sewer outfall line November 21. An emergency point repair on a segment of line was completed but there are still four parts of this project to be complete. He reviewed the various steps and cost of each part of the project, with all four parts of the project to total \$375,000. Staff feels a bank loan is the most optimal method to pay for this project.

Motion by Council Member Sills and second by Council Member Gaulden to approve the City’s Finance Director and City Manager solicit loans to cover the cost of the emergency sewer line repairs in the amount of \$375,000. **Motion unanimously approved.**

Finance Director McNallan provided the following financial report for the period ending November 30, 2022:

- The City has \$8,869,510 cash, compared to \$8,411,275 last year.
- Water and Sewer Revenues for the month were \$579,014 with total collected year to-date at \$2,917,667 or 43.59% of budget, compared to \$2,689,457 in 2021.
- Property Taxes are \$908,533, compared to \$804,063 last year.
- Sales Tax receipts were \$1,334,935 or 47.7%.
- Utilities Sales Taxes are reported quarterly. For this quarter, taxes received is \$154,285, compared to \$152,051 in 2021.
- Building Permit Fees for the month were \$14,585, with total collected of \$46,449 or 31% of budget, compared \$79,827 last year.
- General Fund expenditures for month are \$782,568, with total expensed to-date at \$5,578,152 or 41.936% of Budget, compared to \$4,539,482 in 2021.
- Water and Sewer fund expenditures for the month are \$403,038, with total expensed to-date at \$3,012,695, or 38.14% of budget, compared to \$2,207,357 last year.
- Stormwater fund expenditures for the month were \$816, with total expenses to-date of \$142,340, or 4.91% of budget. Revenues to-date are \$41,025.
- The benchmark for this period is 41.67% of budget.
- McNallan also provided updates 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.

Announcements/Information

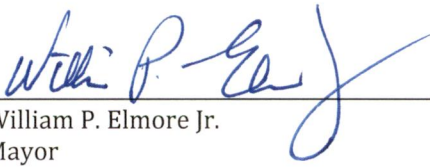
Mayor Elmore announced upcoming events and activities. He also recognized Wesley Johnson, President and Heather Lawson, Executive Vice President of the Dunn Area Chamber of Commerce and thanked them for their attendance.

Motion by Council Member Gaulden and second by Council Member Tart to enter Closed Session to instruct the staff concerning the negotiation of the price and terms of a contract concerning the acquisition of real property in accordance with [N.C.G.S. 143-318.11(a)(5)]. **Motion unanimously approved.**

The meeting was recessed at 9:03 p.m.

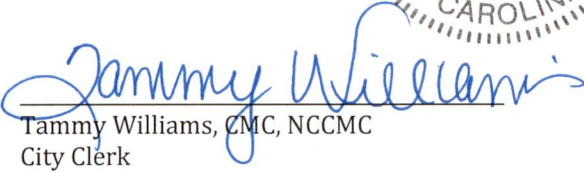
The meeting was reconvened and with no further business to discuss, motion by Council Member Bradham and second by Council Member Tart to adjourn the meeting at 9:28 p.m. **Motion unanimously approved.**





William P. Elmore Jr.
Mayor

Attest:



Tammy Williams, CMC, NCCMC
City Clerk