

Dunn City Council
Work Session
Tuesday, May 13, 2025
6:30 p.m., Dunn Municipal Building

Minutes

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

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, Planner Debra Creighton, Administrative Support Specialist Sydney McKoy, City Attorney Tilghman Pope, and City Clerk Melissa R. Matti.

CALL TO ORDER AND INVOCATION

Mayor William P. Elmore, Jr. called the meeting to order at 6:30 PM. He thanked everyone for attending and noted there were a few guests present who would be speaking later in the meeting.

INVOCATION & PLEDGE OF ALLEGIANCE

Council Member Hargis led the invocation and the Pledge of Allegiance.

ADJUSTMENT AND APPROVAL OF THE MAY 13, 2025 MEETING AGENDA

Mayor Elmore asked if there were any adjustments to be made to the agenda. With no adjustments proposed, he entertained a motion for approval.

Motion Council Member Bradham and seconded by Council Member Gaulden to approve the agendas presented. The motion carried unanimously.

Mayor Elmore then announced for the record that it was Tuesday, May 13, 2025, at 6:30 PM, and this was a work session for the Dunn City Council.

CONCENT ITEMS

- Approval of Minutes – March 31, 2025 – Special Call
- Approval of Budget Amendment - Various Operating Accounts

These two items were presented as consent agenda items.

Council Member Hargis raised a question about the budget amendment, expressing concern about the reallocation of approximately \$100,000 from appropriated salaries to other expenses such as purchasing equipment and computers. He questioned why there was excess in the salary budget and suggested that future budgeting should be more precise, with requests for additional funds made as needed.

City Manager Neuschafer explained that they budget for all approved positions, but when positions remain unfilled, there are excess funds. He noted that in the upcoming budget discussion, they would address this issue by budgeting a buffer for unfilled positions.

Motion by Mayor Pro Tem Sills, seconded by Council Member Hargis to approve the consent items. The motion carried unanimously. *A copy of Budget Amendments – Various Accounts (BA2025-36) is incorporated into these minutes as Attachment #1.*

ITEMS FOR DISCUSSION AND/OR DECISION

Temporary Street Closure

Juneteenth Celebration

City Manager Neuschafer presented a Special Event Permit application for the Juneteenth Celebration, which included a map of proposed street closures. He explained that the permit requires three (3) off-duty police officers for the number of street closures planned, and the event organizers would need to cover this cost.

Council Member McNeil expressed surprise at the number of closures, stating her original intention was not to have three closures. She suggested the need for further discussion about the closures, especially considering the cost implications for the event.

Motion by Council Member Hargis, seconded by Council Member Gaulden to table this item until the next meeting. The motion carried unanimously.

Temporary Alley Closure

Pedestrian Safety Zone

City Manager Neuschafer introduced Mark Easton, president of the Downtown Development Corporation, to present this item.

Mark explained the request to close part of the alley running from Edgerton to Broad Street between the old Macleod furniture building and the current Coffee on Broad business. He cited safety concerns due to vehicles using the alley as a cut-through and the risk to pedestrians, especially customers of Coffee on Broad.

The proposal was to close this section from June 1st through the end of August as a trial run. Mark presented potential ideas for beautifying the space and making it more pedestrian-friendly.

Council members asked questions about the closure method, with Chief Jackson recommending concrete barriers. Mark also mentioned the possibility of using large planters in the future.

Council Members expressed support for the idea, noting the potential benefits for downtown businesses and pedestrian safety.

Motion by Council Member Hargis, seconded by Council Member Tart to approve the temporary alley closure to traffic from June 1st to August 31st and create an outdoor gathering space for the community. The motion carried unanimously.

Approval of Davis, Martin, Powell

Contract Amendment

Water Tower – Hwy 301 S.

City Manager Neuschafer presented a request to amend the existing engineering services agreement with Davis Martin Powell to provide construction administration services and construction field services for the Highway 301 Elevated Tank Project. The estimated fee for the additional services was \$297,600.

Mayor Pro Tem Sills expressed concern about the accuracy of the cost estimate, given past experiences. Manager Neuschafer assured him that this estimate was for the services related to inspecting and certifying the installation, including the water lines.

Council Member Hargis voiced frustration about the increasing costs of the project, feeling that the initial presentations had not fully conveyed the total cost. He emphasized the need for more comprehensive cost estimates in future projects.

Motion by Council Member Gaulden, seconded by Mayor Pro Tem Sills to approve the attached May 6, 2025 proposal from DMP for construction administration services and construction field services for the Highway 301 elevated tank project and the Long Branch Road Waterline Extension Project. The motion carried with Council Member Hargis voting against. A copy of DMP Contract Amendment is incorporated into these minutes as Attachment #2.

Consideration of Harnett

Training Center Loan Payoff

Finance Director McNallan and City Manager Neuschafer presented information about paying off the Harnett Training School loan. They explained that the loan had been in place for 11 years, with a balloon payment due in the 11th year. The original intention was to refinance the loan, but staff recommended paying it off instead.

Director McNallan noted that paying off the loan would result in a decrease in Fund Balance when reported in the next audit, but it would still keep the city above the recommended 25% Fund Balance to expenditure ratio.

Motion by Council Member Bradham, seconded by Council Member Gaulden to approve the final payoff of the Harnett Training School loan with First Bank in the amount of \$1,373,926.40 on June 25, 2025, and appropriate funding from General Fund Reserves. The motion carried unanimously. A copy of the Budget Amendment (BA2025-35) is incorporated into these minutes as Attachment #3.

Consideration of Resolution Declaring

Certain Property to be Surplus-

Structures at 808 W E St., Erwin

City Manager Neuschafer presented a resolution to declare structures at **808 West E Street in Erwin** as surplus and authorize their demolition. He explained that the property had been vacant for several years and, after inspection, staff recommended demolishing the structures and clearing the site.

Motion by Mayor Pro Tem Sills, seconded by Council Member Gaulden to adopt a Resolution declaring all structures at 808 West E Street, Erwin, NC, including all contents and personal property thereon as surplus and directing the City Manager to demolish the structures and to dispose of the personal property by any method authorized in Article 12 Chapter 160A of the General Statutes. The motion carried unanimously. A copy of Resolution Declaring All Structures at 808 West E Street, Erwin, NC including all contents and personal property thereon as Surplus and Directing the City Manager to Demolish the Structure and Dispose of the personal property by any method authorized (R2025-25) is incorporated into these minutes as Attachment #4.

Consideration of Resolution Declaring

Certain Property to be Surplus

all property at 411 N Magnolia Avenue

City Manager Neuschafer presented another resolution to declare property at **411 North Magnolia Avenue** as surplus. This property was acquired through a CDBG program and had been vacant for a couple of years. Staff recommended demolishing the structure rather than attempting to rehabilitate or sell it.

Motion by Council Member Hargis, seconded by Council Member Gaulden to adopt a resolution declaring the property at 411 N. Magnolia Avenue in Dunn, PIN number 1516-77-8993 as surplus and directing the city manager to demolish the structure and dispose of the real property by any method authorized under Article 12 Chapter 160A of the General Statutes. The motion carried unanimously. A copy of Resolution Declaring the property at 411 Magnolia Avenue as Surplus and Directing the City Manager to Demolish the Structure and Dispose of the real property (R2025-26) is incorporated into these minutes as Attachment #5.

FY26 Preliminary Budget Discussion

Finance Director McNallan and City Manager Neuschafer presented the preliminary budget for FY26. Key points of the discussion included:

- General Fund: The overall budget is increasing by 2%, with a Fund Balance amount of \$286,000 needed to balance it.
- Department Requests: They reviewed items included and not included in the budget. The council decided to add \$55,000 for pickleball courts conversion.
- Water and Sewer Funds: Director McNallan explained the separation of water and sewer funds, revealing that the water fund had been subsidizing the sewer fund. To balance the budget, significant rate increases were proposed.
- Rate Increases: The proposed rate increases would result in a 24% increase for the average user. Council members expressed concern about the impact on residents, especially those on fixed incomes.
- Stormwater Fees: An increase in stormwater fees was proposed to raise additional revenue for stormwater projects.
- Fund Balance: Discussion about the impact of these decisions on the city's fund balance and the potential risks of reducing it too much.

Council members requested additional information, including comparisons with surrounding communities' rates and scenarios with different rate increase percentages, to help make their decision.

ANNOUNCEMENTS

Mayor Elmore announced that the next regular meeting is scheduled for Tuesday, May 27th at 6:30 PM, and the next work session will be Tuesday, June 10th at 6:30 PM.

CLOSED SESSION

Motion by Council Member Hargis, seconded by Council Member Gaulden, to go into closed session to establish or instruct the staff concerning the negotiations for the purchase of real property. The motion carried unanimously.

RECESS:

The council reconvened following the Closed Session.
Motion by Council Member Bradham, seconded by Council Member Tart to recess to May 14, 2025 at 6 p.m.
The motion carried unanimously.

William P. Elmore Jr.
Mayor

Attest:

Melissa R. Matti, CMC, NCCMC
City Clerk