

Dunn City Council
Special Called Meeting
Tuesday, June 30, 2026
6:30 p.m., Dunn Municipal Building

MINUTES

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

ABSENT: Council Member J. Wesley Sills

Also present: City Manager Justin Hembree, Assistant City Manager Billy R. Godwin, Finance Director Cary McNallan, Senior Planner Stephanie Goodrich, Police Chief Lynn Gay, Administrative Support Specialist Christy Sweeney, City Attorney Tilghman Pope and City Clerk Melissa Matti.

CERTIFICATION OF A QUORUM & CALL TO ORDER

Mayor William P. Elmore, Jr. called the Special Called Meeting of the Dunn City Council to order on Tuesday, June 30, 2026, at 6:30 PM at the Dunn Municipal Building, 401 East Broad Street, Dunn, North Carolina 28334. A quorum was present.

INVOCATION

The invocation was delivered by Mayor William P. Elmore, Jr.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Dr. David Bradham.

CONSIDERATION & APPROVAL OF THE JUNE 30, 2026 AGENDA

Motion by Council Member Alan Hargis, seconded by Council Member Dr. David Bradham. to approve the agenda as presented. The motion carried unanimously.

ITEMS FOR DISCUSSION AND/OR DECISION

Adoption of FY 2026/2027 Budget

The City Manager and Finance Director provided a detailed briefing on the status of the FY 2026/2027 Budget, noting that North Carolina's Local Government Budget and Fiscal Control Act require all local governments to adopt a balanced Budget no later than midnight on June 30. The Finance Director's birthday was acknowledged by Mayor Elmore prior to the budget presentation.

Manager Hembree explained that the Budget situation had been shaped by two competing pieces of State Legislation. Senate Bill 889, the Reappraisal Moratorium, is currently in effect and requires the City to use the 2022 Schedule of Values for property tax purposes. A second bill, Senate Bill 474, which would exempt Harnett County and the City of Dunn from the moratorium and restore the 2026 Schedule of Values, had passed both chambers of the General Assembly on its second reading that same day. Manager Hembree expressed confidence that Senate Bill 474 would be calendared for a third and final reading the following day, and that the Governor had committed to signing it promptly. The City Manager acknowledged the extraordinary level of uncertainty, stating it was the first time in his career a budget had been adopted on June 30 under such circumstances.

Given this uncertainty, Manager Hembree recommended that the Council adopt a budget ordinance based on the 2022 Schedule of Values at a property tax rate of 60 cents per \$100 valuation. Notably, the recommended budget intentionally excluded employee pay adjustments, placing those funds in reserve. Manager Hembree reasoned that once Senate Bill 474 is enacted and the 2026 Schedule of Values is restored, additional revenues would be available, and the Council would be better positioned to deliberate on employee compensation at that time rather than making those decisions under the current uncertainty.

Manager Hembree further advised that the adopted budget would likely need to be amended via a subsequent special meeting — potentially before the regularly scheduled July 28

meeting — to reduce the tax rate once the new Schedule of Values take effect. Manager Hembree noted they were in contact with the County Tax Department to determine the deadline for finalizing tax bill figures, which would govern the timeline for any such amendment. The City Manager noted that Harnett County Commissioners had followed a similar approach that morning, adopting a budget at a higher interim tax rate with a special meeting already scheduled for the following Monday to amend it.

Council Member Alan Hargis raised a substantive concern about the process, arguing that the dollar amount of the budget — what the City needs to operate — should remain constant regardless of which Schedule of Values is in use. In his view, if the Council has determined that a certain appropriation level, approximately \$15 million to \$16 million, is sufficient to operate the City, that figure should not change when the Council reconvenes. What should change, he argued, is only the Tax Rate required to generate that revenue. Council Member Hargis expressed strong opposition to the prospect of meeting again shortly to increase the total appropriation amount, stating he was not willing to approve a higher spending figure simply because property values had increased under the new revaluation. He emphasized that he would not support any future budget amendment that increased the total dollar amount budgeted, only one that adjusted the Tax Rate to reflect the new values.

Manager Hembree acknowledged Council Member Hargis's point regarding the spending level, while noting that there were prioritized items from the Council's retreat and the budget process that had been removed from the current budget and could be considered during a future amendment. Council Member Hargis reiterated that his position was firm: the number the Council agrees upon tonight is the number the City should live with, and future discussions should be limited to adjusting the Tax Rate accordingly.

Motion by Council Member Alan Hargis and second by Council Member Billy Tart to adopt Attachments A - D related to the FY 2026/2027 Budget Ordinance and Resolutions pertaining to the FY 2026/2027 fiscal year. The motion carried unanimously. *Copies of Attachments A-D related to the FY2026/2027 Budget Ordinance (O2026-12) and Resolutions (R2026-16 through R2026-18), and the Updated Recommended Budget Overview are incorporated into these minutes as Attachment #1.*

Advisory Board Appointments

Mayor Elmore presented the recommended list of advisory board appointments. He noted that appointments to the Community Appearance Board would be deferred to the regularly scheduled July meeting, as the board's composition had recently changed and a significant number of applications had been received. The Mayor indicated he would meet with staff in the coming days to review those applications.

The following appointments were presented for Council action:

(Mayoral appointments — presented for informational purposes):

Dunn Housing Authority: (Mayoral appointments — presented for informational purposes):

Mayor Elmore announced his intention to reappoint Eddie Draughn and to appoint Sharon Gant as the tenant representative. One additional vacancy on the Housing Authority board remained to be filled by the Mayor within the coming days.

(Council appointments):

Parks and Recreation Advisory Board:

Reappointment of Herb Smith, reappointment of Emily Smith (serving in an extraterritorial capacity), and new appointment of Billy Roach.

Dunn ABC Board:

Reappointments of Mark Phillips, Rob Jones, and Cindy Smith.

Planning Board & Board of Adjustments:

New appointments of Jerry Parker and Patrick M. Riley, Sr.

Motion by Council Member Billy Tart, seconded by Council Member Dr. David Bradham to approve the Advisory Board Appointments as presented. The motion carried unanimously. *A copy of the Recommended Slate of Appointees is incorporated into these minutes as Attachment #2.*

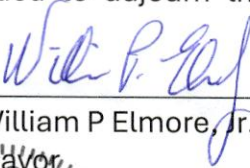
CLOSED SESSION

Motion by Council Member Dr. David Bradham, second by Mayor Pro Tem April Gaulden to enter Closed Session pursuant to N.C.G.S. 143-318.11(a)(3) for the purpose of protecting the attorney-client privilege. The motion carried unanimously.

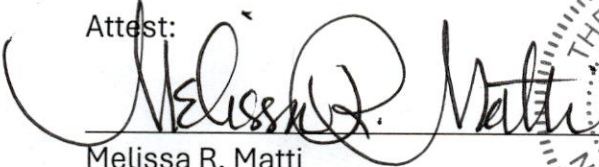
Members of the public were dismissed prior to the Closed Session at 7:10 p.m.

ADJOURNMENT

A Motion was properly made and seconded to adjourn the meeting. Motion carried unanimously.



William P Elmore, Jr.
Mayor

Attest:


Melissa R. Matti
City Clerk

