

Dunn City Council
Special Meeting – Rescheduled Regular Meeting
 Tuesday, January 22, 2024
 6:30 p.m., Dunn Municipal Building

Minutes

PRESENT: Mayor William P. Elmore Jr., Mayor Pro Tem J. Wesley Sills, Council Members Raquel McNeil, April Gauden, 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, Planning Director George Adler, Parks and Recreation Director Brian McNeill, Human Resources Director Connie Jernigan, Collections and Distribution Manager Billy Cottle, Administrative Support Specialist Amber Groves, 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 gave the invocation. Afterwards, Council Member Hargis led in the Pledge of Allegiance.

AGENDA ADJUSTMENT AND APPROVAL

Motion by Council Member Tart and second by Council Member Bradham to adopt the January 22, 2024 meeting agenda as presented. **Motion unanimously approved.**

PRESENTATIONS

Frank McLean – Resolution of Appreciation. Mr. McLean was unable to attend due to his health so resolution and plaque will be delivered to him.

Lifesaver Award – Joshua Elliott

Chief Jackson presented a Life Saver Award Proclamation to Investigator Elliott in recognition of his heroism in an incident that occurred while he was off duty. *A copy of the Proclamation (P2024-01) is incorporated into these minutes as Attachment #1.*

PUBLIC COMMENT PERIOD

Mayor Elmore asked City Attorney Pope to share the Public Comment Period Policy with those present. Mayor Elmore asked Chief Jackson for a statement on the status of K-9 Apacs, who is healthy and in a safe environment. He will begin training with his new handler on January 29.

The Public Comment Period was opened by Mayor Elmore at 6:42 p.m. Comments were made by Elizabeth Longman of Bunnlevel who spoke in support of Chief Jackson and her decision to keep K-9 Officer Apacs in service but did ask for her reconsideration. The following spoke opposed to the Chief's decision not to retire Apacs and give to his previous handler Nathan Ingram: Nathan Ingram, Victoria Jackson on Fred-Tew Rd, Johnnie Jackson, Matthew Hooper from Broadway, Lori Thornton from Erwin, and Susan Thrailkill from Fayetteville. Having no additional comments, the Public Comment period was closed.

CONSENT ITEMS

- To reject bid received on November 28, 2023 on CWSRF Sewer Rehabilitation/Replacement Project CS370417-06 and authorize staff to seek State approval for an extension of time to re-bid the project. *A copy of the Resolution (R2024-01) is incorporated into these minutes as Attachment #2.*
- Budget Retreat Location on February 9-10, 2024 to be held at the Lumina on Wrightsville Beach.
- Resolution to apply for Governor's Highway Safety Program Grant. *A copy of the Resolution (R2024-02) is incorporated into these minutes as Attachment #3.*

Motion by Mayor Pro Tem Sills and second by Council Member Gauden to approve all consent items. **Motion unanimously approved.**

ITEMS FOR DISCUSSION AND/OR DECISION

CZ-03-23, Conditional Zoning – Susan Tart Rd

Mayor Elmore opened the Public Hearing at 7:07 p.m. Planning Director Adler presented a request to conditionally rezone one wooded parcel 5.47 acres +/- fronting Susan Tart Road, east of Tilghman Drive. The property is currently zoned O&I, Office & Institutional District and is proposed to be rezoned to Mixed-Use Conditional Zoning District for a limited number of uses permitted in MXU to include up to 35 residential townhomes.

The Planning Board reviewed the request to rezone this undeveloped parcel from O&I to Mixed-Use CZD to permit medical office space, not to exceed 20,000 square feet and up to 35 townhomes in September. The Planning Board tabled this request to give the applicant time to revise the site plan in more detail and for Planning staff to research how other jurisdictions process mixed-use rezoning. The Planning Board did not have a quorum for the October meeting, so the case was continued until the November 28 Planning Board meeting. Samantha Wullenwaber from Mid-Carolina Council of Governments (MCCOG) spoke to the Board about how other municipalities approach conditional rezonings and answered questions. The applicant provided a revised application to the Planning Board. The revision had no Master Plan. Per UDO Section 3.10 B., the applicant requested only 27 of the 56 uses generally permitted in MXU to be allowed in the rezoned MXU Conditional parcel, limiting the number of townhouses to no more than 35 units. The Planning Board unanimously recommended adoption of the revised conditional zoning request to permit the limited uses

requested by the applicant in his letter dated November 20, 2023, with the following conditions: 1. That this be a self-contained site, i.e., no stub streets; 2. That storm water management be installed to handle maximum build out of the entire site; and 3. That the uses on Attachment 9 be the only uses permitted. *A copy of the Attachment 9 is incorporated into these minutes as attachment #4.*

Adler stated that the applicant did agree to these conditions. The Public Hearing and Decision was tabled by Council until the January Council meeting, which had to be rescheduled to January 22.

Council Members were concerned about the various uses provided in the parcel with the Mixed-use such as a college or temporary housing. Ben Stout with Stout Land Development spoke in favor of the rezoning and shared that he had spoken to the CEO at the hospital and business next door, and he felt this use could be an asset for the relationship with the hospital and Campbell. Currently, there is not a site plan because rezoning is needed beforehand. The other side is all speculation at this point. His plan is to combine residential with commercial. Council Member Hargis questioned temporary shelter and Stout stated he is ok with cutting that out of the uses. City Attorney Pope told Council that this is a rezoning and determining if this is the proper use for this area. Mayor Elmore questioned if the townhouses would be for sale or rentals and Stout confirmed with the need for rentals in the City of Dunn, that he is planning to rent these townhouses. Adler reminded the Council that this decision is for the approval of zoning not the site plan so the site plan could be different than proposed at this point. With no additional comments, the Public Hearing was closed.

Pope confirmed that temporary shelter could be added as a condition in the motion. Since this is the first time for Council to review, motion by Mayor Pro Tem Sills and second by Council Member Gaulden to table the decision until the February 20, 2024 Council Meeting. **Motion unanimously approved.**

City of Dunn Financial Audit – FY2023

Finance Director McNallan shared that the Auditor was unable to attend the rescheduled meeting and will present the Audit at the Budget Planning Retreat.

Resolution to Respond to FY23 ACFR Audit Findings

Finance Director McNallan shared that Council needs to approve and sign a resolution acknowledging one Financial Performance Indicator of Concern (FPIC) related to the FY23 Annual Comprehensive Financial Statement (ACFR) and accepting staff's recommended plan for implementation of corrective action. The Finding for FY2023 related to accumulated depreciation and staff found the error so the resolution is required acknowledging you have been informed of the finding. New practices are in place to keep this from happening in the future. The error resulted in the governmental assets fund balance being understated by \$277,449 and the proprietary fund balance being understated by \$631,617.

Motion by Mayor Pro Tem Sills and second by Council Member Gaulden to approve the resolution related to the FPIC of the FY23 Annual Comprehensive Financial Statement. **Motion unanimously approved.** *A copy of the Resolution (R2024-03) is incorporated into these minutes as Attachment #5.*

Issuance of a Water & Sewer Revenue Bond, Series 2024

Finance Director McNallan shared that on August 9, 2022, the City Council approved a resolution authorizing the issuance of water and sewer revenue bonds in an amount not to exceed \$1,436,000 for the Wastewater Collection System Rehab Project. This project includes grant funds and a low interest loan from the United States Department of Agriculture (USDA). A bond anticipation note (BAN) with First Citizen's Bank (FCB) for \$1,436,000 at an interest rate of 3.22% was also approved. These funds provided temporary funding for the project until such time the official bond series was issued. The closing on the Series 2024 revenue bond for this project has been set for February 7, 2024. The terms of the \$1,436,000 bond are for a period of 40 years at 1.25% interest rate. These bond proceeds will be used to pay off the principal balance of the BAN with FCB. The first principal and interest payment on the Series 2024 bond will be due June 1, 2024, with annual principal and interest payments due every June 1.

Motion by Council Member Bradham and second by Mayor Pro Tem Sills to adopt the bond issuance resolution for the sale and issuance of a \$1,436,000 Water and Sewer System Revenue Bond, Series 2024. **Motion unanimously approved.** *A copy of the Resolution (R2024-04) is incorporated into these minutes as attachment #6.*

Appointments to the I95/I40 Crossroads of America Economic Development Alliance

Motion by Council Member Bradham and second by Council Member Hargis to reappoint Jeffrey Dunn and Matthew Smith as the City of Dunn representatives for a term ending September 30, 2025. **Motion unanimously approved.**

Codrington Park Asphalt Construction – Basketball Court

Parks and Recreation Director McNeill presented a request to the Council to accept the bid by Hollins Construction Services, Inc. for \$92,000 towards the asphalt construction of the outdoor basketball court at Codrington Park. The City received \$150,000 in SCIF Grant funding to go towards the renovation of Codrington Park's outdoor basketball courts and Tart Park's outdoor volleyball courts in 2022. This project has been through a total of four bid cycles. McNeill confirmed this is for asphalt only and the surface of the court will also have to be bid on. If accepted, this contract will require 61% of the grant funding.

Motion by Council Member Gaulden and second by Council Member McNeil to accept the bid by Hollins Construction Services for \$92,000. **Motion unanimously approved.**

School Resource Officer Reimbursement Agreement

City Manager Neuschafer presented an updated Reimbursement Agreement with Harnett County and the Harnett County Board of Education for the compensation of SRO Services at Harnett Primary and Wayne Avenue Elementary School. This agreement was originally entered into in October 2018. This revised MOU provides the following: The agreement will automatically be renewed annually with the MOU; The reimbursements rates have changed from "not to exceed \$31.64 per hour with a maximum of \$65,812" to "between school years shall be set at \$203,238.00 per fiscal year"; and there is also a 3% increase annually built into this agreement.

Motion by Mayor Pro Tem Sills and second by Council Member Tart to approve the School Resource Officer Program Reimbursement Agreement for Elementary and Primary Schools as presented. **Motion unanimously approved.** A copy of the Reimbursement Agreement is incorporated into these minutes as attachment #7.

Administrative Reports

City Manager Neuschafer reported that staff is preparing for the Budget Planning Retreat and gave a report on the condemnation process where many of the houses are being sold and rehabbed instead of condemned.

Finance Director McNallan provided the following financial report for the period ending December 31, 2023:

- The City has \$9,808,573 cash, compared to \$12,130,903 last year. The decrease is primarily due to unreimbursed grant/loan proceeds for capital water and sewer project expenditures.
- Water and Sewer Revenues for the month were \$599,053 with total collected year to-date at \$3,546,936 or 44.3% of budget, compared to \$3,404,517 in 2022.
- Property Taxes collected for November are \$1,119,967, compared to \$1,257,552 last year. Property taxes received year to date are \$2,138,598.
- Sales Tax receipts were \$279,865, \$9,021 increase from last year, with total collected year to-date at \$881,238 or 28.5% of budget.
- Utilities Sales Taxes received for the year are \$194,989, compared to \$185,812 last year.
- Building Permit Fees total amount collected is \$83,961 or 52.5% of the budget compared to the total collected last year of \$82,363.
- General Fund expenditures for month are \$1,052,743, with total expensed to-date at \$6,210,714 or 45.2% of Budget, compared to \$6,386,241 in 2022. Revenues to-date are \$4,941,014.
- Water and Sewer fund expenditures for the month are \$358,257, with total expensed to-date at \$3,515,963, or 32.6% of budget, compared to \$3,547,834 last year. Revenues to-date are \$3,781,233.
- Stormwater fund expenditures for the month were \$28,449, with total expenses to-date of \$216,814, or 50.9% of budget. Revenues to-date are \$162,653.
- The benchmark for this period is 50% of the budget.
- McNallan also updated 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.

Council Member Gaulden announced that Public Works Director Williams told her that NCDOT was starting on Johnson Street Bridge tomorrow and Steven confirmed that information. Mayor Pro Tem Sills congratulated NAA CP for a great MLK breakfast and event.

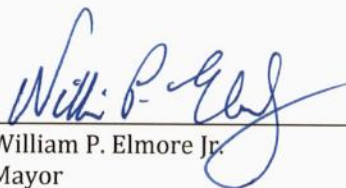
Announcements/Information

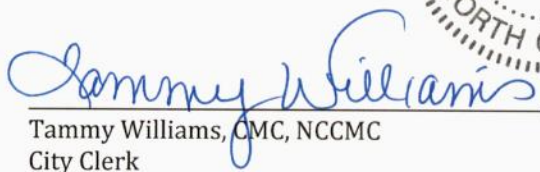
Mayor Elmore announced upcoming events and activities.

With no further business to discuss, Mayor Elmore adjourned the meeting at 8:00 p.m. with no objections.

Attest:




 William P. Elmore Jr.
 Mayor


 Tammy Williams, OMC, NCCMC
 City Clerk