

Dunn City Council
Regular Meeting
Tuesday, May 28, 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 Gaulden, 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, Planning Director George Adler, Parks and Recreation Director Brian McNeill, Human Resources Director Connie Jernigan, Collections and Distribution Manager Billy Cottle, Water Plant Manager Ian Stroud, Wastewater Plant Manager Donrie Dukes, 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 by Rev. Jason Williams, Pastor of Hood Memorial Christian Church. Afterwards, Council Member McNeil led in the Pledge of Allegiance.

AGENDA ADJUSTMENT AND APPROVAL

Motion by Council Member Bradham and second by Council Member Gaulden to adopt the May 28, 2024 meeting agenda as presented. **Motion unanimously approved.**

PUBLIC COMMENT PERIOD

The Public Comment Period was opened by Mayor Elmore at 6:35 p.m. Having no comments, the Public Comment period was closed.

ITEMS FOR DISCUSSION AND/OR DECISION

Minutes of the April 9, 2024 City Council Work Session

Motion by Council Member Hargis and second by Council Member Gaulden to approve the minutes as presented. **Motion unanimously approved.**

CZ-03-24 – Conditional Rezoning Fairground Road Duplexes

Mayor Elmore opened the Public Hearing at 6:36 p.m. Planning Director Adler presented a request to rezone four parcels totaling 1.3-acres +/- at 6474 / 6514 Fairground Road. The property is currently zoned R-20, residential District and is proposed to be rezoned to R-7 CZD, Residential Conditional Zoning District to permit only duplexes.

These parcels are on the west side of Fairground Road near Holly Avenue. Two of the parcels have manufactured homes, two are vacant. The area on the west side of Fairground is heavily wooded and zoned R-20. The area on the east side of Fairground is zoned R-10, including a subdivision developed in the 1970s around Holly, Sycamore, Sainte, and Pine. Dunn city limits run north on the center of Fairground and include the subdivision on the east side. The four subject parcels are adjacent to city limits in Dunn's ETJ.

The request is to rezone from R-20 to R-7 CZD to permit only duplexes. Mr. Szalecki presented a sketch plan showing 6 duplexes, 12 units total. The 12 units will share two driveways off Fairground with parking in the rear.

The Planning Board, at their regular meeting on May 7, heard presentations from staff and Matthew Szalecki, Family Building Company, who is acting as the agent for the property owner, Shelton Davis. The Planning Board voted unanimously to recommend approval of this conditional zoning request with several conditions agreed to by Mr. Szalecki agreed to. With no comments, the Public Hearing was closed.

Motion by Council Member Sills and second by Council Member Hargis to approve that the four parcels totaling 1.3-acres + / - located at 6474/6514 Fairground Road with PINs 1517-78-2365.000, 1517-78-2429.000, 1517-78-1593.000, and 1517-78-1644.000 be rezoned from R-20, Residential District to R-7, Conditional Zoning District (CZD) with the following conditions:

- (1) That only duplexes be allowed, with supplemental standards per the UDO;
- (2) That all units be rear loaded;
- (3) That no more than two driveways onto Fairground be permitted;
- (4) That all access easements be identified in the recorded plat;
- (5) That the Development Permit incorporate stormwater management best practices to handle maximum build-out of the entire site; and
- (6) That development approval be contingent on resolving all deed issues to clarify that the owner has possession of the parcels in fee simple, as presented. **Motion unanimously approved.**

CZ-04-24 – Conditional Rezoning 112 S Fayetteville Ave

Motion by Council Member Bradham and second by Council Member Tart to table until the June Regular Meeting as requested by the applicant. **Motion unanimously approved.**

Mayor Elmore recognized that this is Planning Director Adler's last meeting as he will be retiring. He thanked Adler for his service to the City.

Tentative Award and Resolution Machine Welding Outfall (SRP-W-ARP-0287)

City Manager Neuschafer presented a request to tentatively award the Machine Welding Outfall Project (SRP-W-ARP-0287) to the lowest bidder Teraflex Group, LLC. Bids were received by the City of Dunn on April 25, 2024 for the above referenced project. A total of seven bids were submitted.

The low bidder, Teraflex Group, LLC, is a well-qualified general contractor who has successfully completed similar projects across the State. We recommend that the City of Dunn tentatively award, pending approval from the Division of Water Infrastructure, the contract for Machine Welding Outfall American Rescue Plan – "Earmark Project." No. SRP-W-ARP-0287 to Teraflex Group, LLC for their low Base Bid total in the amount of \$6,464,615.

Motion by Council Member Gaulden and second by Council Member Sills to adopt the Resolution to tentatively award the Machine Welding Outfall Project to Teraflex Group, LLC for the total bid of \$6,464,615. **Motion unanimously approved.** *A copy of the Resolution (R2024-20) is incorporated into these minutes as Attachment #1.*

Capital Project Ordinance Amendment – Eastside Pump Station, Forcemain & Outfall Project

Finance Director McNallan presented the need to approve a capital project ordinance amendment and budget amendment for the Eastside Pump Station, Forcemain, and Outfall Line Project; and to approve a capital project ordinance and budget amendment for the Machine and Welding Outfall sewer line project.

On March 8, 2022, the City Council approved a capital project ordinance for the Eastside Pump Station, Forcemain, and Outfall Line Project. Although approved as one project, it has been designed as two separate projects and each project has different sources of funding. Therefore, staff is requesting that the City Council formally approve a capital project ordinance amendment to split the original project into two separate projects and approve a new capital project ordinance for the Machine and Welding Outfall (MWO) sewer line project. This action will make it easier to track expenses for the two projects and provide better reporting when presenting data to the funding agencies. The ordinances and budget amendments also reflect the recent changes in funding sources for these projects, which includes USDA grant and loan proceeds.

Motion by Council Member Hargis and second by Council Member McNeil to approve the capital project ordinance amendment for the Eastside Pump Station Project, the new capital project ordinance for the MWO Project, and the related budget amendments for each as presented. **Motion unanimously approved.** *A copy of Ordinance (O2024-11), Ordinance (O2024-12), Budget Amendments (BA2024-20) and (BA-2024-21) are incorporated into these minutes as Attachment #2.*

ANX-02-24 Voluntary Annexation 6474 and 6514 Fairground Rd

City Manager Neuschafer presented a petition requesting the voluntary contiguous annexation of property located at 6474 and 6514 Fairground Rd, PIN #1517-78-2365, 1517-78-2425, 1517-78-1593 and 1517-78-1644. This petition was received under Part 4 of Article 4A of Chapter 160A of the General Statutes. This full petition was received on May 16, 2024. It had the wrong property owners, and the new petition has the new owners.

Motion by Council Member McNeil and second by Council Member Gaulden to adopt the Resolution Directing the City Clerk to Investigate the Voluntary Annexation Petition ANX-02-24 as presented with owners Shelton Davis and Sharon Davis. **Motion unanimously approved.** *A copy of the Resolution (R2024-21) is incorporated into these minutes as Attachment #3.*

Water Tank Selection

City Manager Neuschafer introduced Michael Goliber of Davis Martin - Powell to help the Council select an elevated water tank design to continue through the design and bidding process. The City has approved funding for the construction of an elevated water storage tank located on property owned by the city near the Food Lion Distribution Center.

Goliber presented three different styles of tanks, a Toro/Multi-leg, Spheroid and Composite. He gave the pros and cons for each different type based on current capital cost and long-term maintenance. Goliber recommended getting a bid on Multi-leg and Spheroid. Neuschafer added that with the location, staff didn't want to miss the opportunity to do something different. Mayor Elmore asked about additional cost and Goliber stated that the site work is estimated to be about \$1 million. Council Member Tart confirmed with his question that the site cost will be the same no matter which tank. Goliber stated it will be about one year and half to two years from bid to completion.

After more discussion, motion by Council Member Sills and second by Council Member Gaulden to investigate the price of both the spheroid with conical base as well as the traditional elevated water storage tank design to proceed through design and bidding process. **Motion unanimously approved.**

FY25 Budget Discussion

Mayor Elmore stated the staff has spent quite a bit of time on the budget. Tonight is to provide the City Council with some preliminary budget information and receive feedback from the Mayor and Councilmembers for staff to prepare the recommended budget. The FY25 requested budget has been received from the various departments and has been reviewed by the City Manager, Assistant City Manager, and the Finance Director.

City Manager Neuschafer presented the key points of the proposed budget to be published unless changes are made prior.

- General Fund approximately \$13.9M
Solid waste Fee Increase
No planned borrowing (use of current FY 24 surplus funds)
- Water and Sewer Fund approximately \$8.5M
9% consumer rate increase
- Stormwater Fund approximately \$470,000
Rate remains the same, but increase in the non-residential collection limit and minimum fee
- FY25 Employee wage adjustments:
Lump sum payment of \$1,500 for all full-time employees in August 2024
Merit adjustment of 0-2% for eligible employees in January 2025
- Items included in the operating budgets:
DYB Tournament and Police Career Development
Limited computer upgrades and Public Works vehicle lift
Street Repair (Department level, Powell Bill Funds) We will leave Powell bill funds in for the department for repairs at the department level.

To be able to do the large proposed Paving Project, we will need to increase City Tax Rate by \$0.04
\$0.04 to be dedicated to street resurfacing (\$451,768)
Funds to be used to finance a \$4M or \$5M resurfacing project

A \$0.04 increase in the tax rate would add \$80 to the city portion of the property tax for a house assessed at \$200,000.

Current Tax Rate is \$0.50; one cent generates \$112,942 of tax revenue

Neuschafer added the budget will be published by the end of the week with a copy here and at the library. The public hearing will be scheduled for June 11 with adoption on June 25.

Administrative Reports

City Manager Neuschafer presented the goals and objectives report.

Finance Director McNallan provided the following financial report for the period ending April 30, 2024:

- The City has \$11,422,414 cash and investments, compared to \$13,223,449 last year. The decrease is primarily due to unreimbursed grant/loan proceeds for capital water and sewer projects.
- Property Taxes collected for March are \$113,144, compared to \$1,108,317 last year. Total to-date \$5,568,973.
- Sales Tax receipts were \$254,279 for January, \$737 more than same period last year, with total collected to-date of \$2,070,453 or 66.9% of budget.
- Building Permit Fees collected total \$219,598 or 137.2% of budget compared to total collected last year of \$153,160.
- General Fund expenditures for month are \$950,098, with total expensed to-date at \$10,987,116 or 78% of Budget, compared to \$11,080,768 in 2023. Revenues to-date are \$11,507,150 or 81.7% of budget.
- Water and Sewer fund expenditures for the month are \$399,751, with total expensed to-date at \$6,998,283, or 64.8% of budget, compared to \$5,579,245 last year. Revenues to-date are \$7,635,645 or 70.7% of budget.
- Stormwater fund expenditures for the month were \$8,236, with total expenses to-date of \$399,542, or 93.8% of budget. Revenues to-date are \$190,316 or 44.7% of budget.
- The benchmark for this period is 83.3% of budget.

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

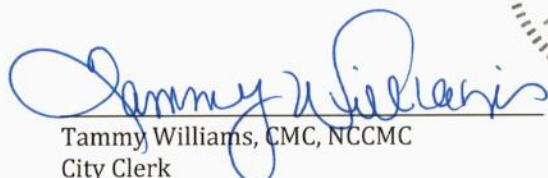
Mayor Elmore announced upcoming events and activities.


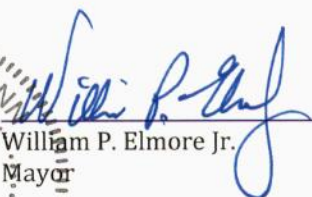
Motion by Council Member Hargis and second by Council Gaulden to enter Closed Session pursuant to [N.C.G.S. 143-318.11(a)(3)], to consult with the Attorney to protect the attorney-client privilege.

Mayor Elmore recessed the meeting at 7:25 p.m.

The meeting was reconvened and with no further business to discuss, Mayor Elmore adjourned the meeting at 7:38 p.m. with no objections. **Motion unanimously approved.**

Attest:


Tammy Williams, CMC, NCCMC
City Clerk

 
William P. Elmore Jr.
Mayor