

Dunn City Council
Work Session
Tuesday, June 11, 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, Alan Hargis, and Dr. David L. Bradham. **ABSENT:** Council Member Billy N. Tart

Also present: City Manager Steven Neuschafer, Assistant City Manager Billy R. Godwin, Finance Director Cary McNallan, Chief of Police Cary Jackson, Collections and Distribution Manager Billy Cottle, Water Plant Manager Ian Stroud, 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 Council Member Bradham gave the invocation. Afterwards, Council Member Gaulden led in the Pledge of Allegiance.

AGENDA ADJUSTMENT AND APPROVAL

Motion by Council Member Bradham and second by Council Member Gaulden to adopt the June 11, 2024 meeting agenda as presented with the following addition: Legal Services Agreement – Litigation Against Manufacturers of Forever Chemicals. **Motion unanimously approved.**

PRESENTATIONS

Juneteenth Proclamation

Mayor Elmore read the Proclamation declaring June 19, 2024 as Juneteenth in the City of Dunn. Council Member McNeil shared information about the upcoming Juneteenth Celebration to be held at Codrington Park. *A copy of the Proclamation (P2024-05) is incorporated into these minutes as Attachment #1.*

PUBLIC HEARING – FY25 Budget

Mayor Elmore read a prepared statement from the Mayor and Council as follows:

“Citizens of Dunn, tonight the City Council and I are happy to hear and receive your comments on the proposed Fiscal Year 2024-2025 budget for the City of Dunn. The Council will not vote on the budget tonight, the actual vote to adopt the budget will take place at the June 25th regular Council meeting. The proposed budget has been on file and available for review since June 1st. Under State law, the budget must be balanced and take effect on July 1st.

The proposed budget is the product of many months of hard work. Getting to this point is a daunting task and requires much discussion among the council, the city administration and department heads on how best to spend the public's money.

The City has many competing needs that must be weighed and balanced against each other in the budget process. This ranges from state mandated improvements to the city's water and sewer infrastructure; to citizens reasonable demands for stormwater system improvements to alleviate flooding throughout the city. It also includes departmental funding requests for new equipment and for maintenance of existing equipment. Added to these is the need to keep our employee compensation package competitive so our hard-working employees and police officers stay with us and not take their knowledge, skills and experience to other communities. We are blessed to have such a dedicated workforce and this council is committed to ensuring our employees are taken care of.

Ultimately, a budget must be adopted that maintains the level of service the citizens of Dunn want and deserve. We must find a proper balance between what the city should spend and what the city must spend to meet the needs of the taxpayers. Obtaining that balance requires an honest analysis, frank discussion, much compromise, and tough decisions to make the process work.

Thus far, hundreds of thousands of dollars of worthy requests have been removed from the proposed budget and what you have before you is the result of that process. Along with the monetary cuts, we also will use several hundred thousand dollars of funds recognized from savings in our current budget. These funds will be used to balance the proposed budget.

The budget includes a property tax rate increase of \$0.04 per \$100 valuation of real property. Each penny of property tax generates \$112,942 and the proposed increase will generate \$451,768 annually. The city leadership realizes there's an immediate need for major street repairs throughout our city. It is our opinion that the opportunity to borrow money for a major paving project such as this can be done by utilizing a USDA loan at a low interest rate. Therefore, the city plans to borrow between 4 and 5 million dollars, which would allow us to have a much larger impact on paving streets and other street related repairs. The annual debt service on that loan would be repaid by the four-cent property tax increase, the entire amount of \$451,768 generated by the increase will be used to repay the loan. Without this increased revenue, this significant paving project could not be done.

This budget also eliminates all monetary contributions to the Dunn Police Athletic League. PAL is the only nonprofit organization receiving funding from the city. The city was instrumental in the startup of PAL in 1993 and has provided funding since its inception. In 2013, PAL separated from the City of Dunn and became a stand-alone

501C3 nonprofit entity. Since 2013, the city has contributed \$2,274,387.00 directly to the PAL program, even though it's totally independent of and not a city department.

In addition to direct funding, one police officer has always been assigned full time to PAL. However, the officer assigned to that position recently took a job with another agency and is no longer employed by the city. At this point, funded in the budget are plans to assign another officer to PAL once the staffing shortages in the Police Department are resolved.

The nonprofit status obtained by PAL has allowed them the opportunity to successfully receive grants and other private funding. The organization appears to have done well with those efforts. PAL's budget last year was \$884,615. If they received the revenues projected in that budget, that would indicate that they were successful in raising \$769,000, above the city's contribution of \$115,000. We as a city are proud of the PAL organization and are thankful for the community support that they receive. Ultimately, it does not seem fair to raise property taxes and continue funding a self-sustaining nonprofit organization, even a service organization like PAL. There are many other worthy nonprofit service organizations who receive no funding from this city.

In conclusion, we believe that this proposed Fiscal year 2024-2025 budget strikes a proper balance of what the City must spend and needs to spend to meet the goals of this Board and the citizens we serve."

Mayor Elmore opened the Public Hearing at 6:42 p.m.

City Manager Neuschafer reported on the seven letters from the public that were submitted to the city clerk prior to the meeting tonight with the last collection at 6:00 p.m. All letters were submitted to the Council by email and available at their desk. Letters were received from Dunn PAL Board of Directors, Emmett Aldredge III with ARC3 Gases, J. Dal Snipes, Janet J. Doffermyre Ed.D, Dr PK Vyas MD of Eastern Carolina Medical Center, Kristina Harrell, EVP with the Dunn Area Chamber of Commerce and Emily McBryde-Wilson. All the letters encouraged the Council to continue funding the Dunn PAL organization.

The following spoke during the Public Hearing: former Council Member Carnell Robinson, former Council Member Joey Tart, Ronald Ross, Jesse Schmidlin, Nathan Williams, Shwana Cameron Williams, Shephard Massey, Regina Tew, Crystal Moore, Boris Ashford, James Berry, Janet Doffermyre, and Crystal McBryde spoke against the existing budget which does not provide funding for the Dunn Police Athletic & Activities League, Inc. All spoke of the many positive influences of the PAL organization in the community and asked the Council to reconsider PAL funding.

Council Member McNeil commented that she appreciates and believes in PAL and realizes the wonderful things they do for the young people in her ward. She added that it is a difficult decision for the Council to make and encouraged community support in funding and in volunteering.

With no additional comments, the Public Hearing was closed.

ITEMS FOR DISCUSSION AND/OR DECISION

Annexation ANX-02-2024 Fairground Rd

City Manager Neuschafer presented a request to consider adoption of resolution fixing the date for a Public Hearing for June 25, 2024, for the voluntary contiguous annexation petition ANX-02-24. The Council adopted a Resolution Directing the Clerk to Investigate the Voluntary Annexation at the May 28 Council meeting and the Certificate of Sufficiency has been completed by the Clerk and provided to Council.

Motion by Council Member Hargis and second by Mayor Pro Tem Sills to adopt the Resolution Fixing Date of a Public Hearing as June 25, 2024, at 6:30 p.m. for the Voluntary Contiguous Annexation Petition ANX-02-24. **Motion unanimously approved.** *A copy of the Resolution (R2024-22) is incorporated into these minutes as Attachment #2.*

Landscape Maintenance Contract Extension

City Manager Neuschafer presented a request to extend the current landscape agreement with Old Mill Stream for 18 months. It is difficult to transition contractors in the middle of the grass cutting season and the end of June is when the contract expires. This change will allow for bidding and accepting bids, next summer and then transitioning, if there is a transition, during the winter and not growing season just to make sure that we have a seamless transition, if there is one. Current Monthly Payments are \$14,445 with proposed Monthly Payments at \$15,960.

After discussion, motion by Mayor Pro Tem Sills and second by Council Member Gaulden to approve the extension of the Old Mill Stream contract for fiscal year 2024-2025. **Motion unanimously approved.**

Legal Services Agreement - Litigation Against Manufacturers of Forever Chemicals

City Attorney Tilghman Pope presented request to engage the law firms of Baron & Budd, P.C., Cossich, Sumich, Parsiola & Taylor, LLC and the Hutchens Law Firm, to represent the City of Dunn in litigation against manufacturers of aqueous film forming foam ("AFFF"), perfluoroalkyl substances ("PFAS"), including perfluorooctanoic acid ("PFOA" or "C8") and perfluoro octane sulfonate ("PFOS") and other related compounds, collectively "forever chemicals". The Environmental Protection Agency has announced new regulations regarding the amount of forever chemicals that can be contained in drinking water, which when adopted, will require every producer of public drinking water throughout the country to spend a lot of money on equipment and training and staff to modify and further filter these chemicals out of the water.

There are three different law firms indicated, with the local one being the Hutchins Law Firm out of Fayetteville, representing about 25 cities and counties throughout North Carolina against the manufacturers of forever chemicals to try and recoup some of the costs that the city will incur due to these mandatory upgrades. The

proposed legal services agreement will authorize them to represent the City in this federal litigation. It is all on a contingency fee, which means the city will incur no attorney fee unless they make a recovery on the city's behalf. In which event, they get reimbursed 25% of the recovery.

Motion by Council Member Bradham and second by Council Member McNeil to approve the Legal Services Agreement with the law firms of Baron & Budd, P.C., Cossich, Sumich, Parsiola & Taylor, LLC, and the Hutchens Law Firm to represent the City of Dunn in litigation against the manufacturers of forever chemicals as presented. **Motion unanimously approved.**

ITEMS FOR DISCUSSION

CZ-04-24 - Conditional Rezoning; 1 parcel at 112 S Fayetteville Ave

Assistant City Manager Godwin introduced Haley Hogg, Planning Director with Mid-Carolina Regional Council of Governments and shared her experience with the Council. Haley presented CZ-04-24, which is a conditional zoning application for 112 S Fayetteville Ave. The property is .52 acres and has an existing building, which has been vacant for some time. The applicant is requesting a conditional zoning to rezone from C3 highway commercial district to C1, which is the central commercial district with conditional zoning. The applicant was requesting to permit only multi-family, restaurant, banquet/event space; bar/tavern/microbrewery, and general commercial. If approved, the multifamily use and the banquet and event space use would still be subject to a special use permit in addition to this rezoning.

Staff finds the rezoning has been determined to be reasonable and consistent with the surrounding conditions and development pattern of the area, as well as the Future Land Use map. The parcel is designated as Downtown and the Future Land Use Map, which includes a mixture of residential, retail, and entertainment uses. All of which include the proposed uses by the applicant. At the June 4 Planning Board meeting, the Board did bring up some concerns regarding parking at that meeting, especially as it pertains to the potential banquet or event space use of the site. Ultimately, though, they voted four in favor, and one opposed to recommending approval to the Council. The Public Hearing will be held at the June 25 City Council meeting. After discussion on the location of the multi-family, which is proposed for upstairs, discussion was closed.

CZ-05-24 - Conditional Rezoning; 3 parcels Jernigan Rd/US301 N

Haley presented a request to rezone three parcels located at the intersection of Jernigan Road and US 301 North from R-20, Residential District to C-3, Highway Commercial District Conditional Zoning District: to permit only Self-Storage. The property is located at the corner of the gateway into Dunn, from the north into the town or into the city and C3 is a compatible zoning district with what's out there currently along 301. Even though self-storage is not entirely desirable sometimes at a high profile or a highly visible gateway into the community, it is consistent with that current development pattern occurring in that area. At the June 4 Planning Board meeting, there was some neighborhood opposition from the residential neighbors on Jernigan Road and they felt that the use would be incompatible potentially with their residential uses. The Planning Board voted three in favor and two opposed to recommending approval with the following conditions.

The first condition recommended was limiting the use of self-storage facility as outlined in the application. They also recommended a condition to require a type A landscape buffer along the residential properties. They required or recommended a condition that no access be permitted off of Jernigan Rd since that is where the residential uses were located. They also recommended a condition that a six-foot-tall privacy fence be required in the Type A buffer to provide additional screening for those residential homes. The Public Hearing and Decision is scheduled for the June 25 Council meeting. After questions related to DOT requirements, the discussion was closed.

CZ-06-24 - Conditional Rezoning; 3 parcels N Powell Ave/W Cumberland

This conditional rezoning request is for three parcels located off of North Powell Ave, with access to W Cumberland St. There are two parcels included that are zoned R20 and the third parcel is split zoned between R20 and C2. The applicant is not proposing to modify the C2 zoning. They want to reserve that for potential future commercial development if anyone wants to develop that in the future, but they are requesting to rezone the R20 portions from R20 to MXU mixed-use district conditional zoning. They are requesting to limit the uses of the site to residential, which would be single family detached and single family attached townhomes. They are also proposing the uses to allow recreational facilities, indoor and outdoor. The use of townhomes, if the rezoning is approved, would still be subject to a special use permit as well.

After reviewing the application, staff determined the request is consistent and reasonable with the development pattern in the area. The future land use map does designate the property as medium density residential, which includes a variety of uses or mixed uses of townhomes, single family. The applicant did also submit a master plan and the plan does meet the minimum requirements of the UDO and shows the general location and layout of where the single family and townhomes could be located as well as the amenity area in some open space. This is just the preliminary master plan, so a more detailed plan typically comes in at the special use permit when you get to the townhome use. And then for the preliminary plat is when you would see the lots laid out after they do the engineering and design a little bit. At the Planning Board, there was no neighborhood opposition at the meeting. However, the board did have concerns related to the level of detail on the master plan and requested the applicant provide a little bit more detail and ultimately made a motion to table the item until the July 2 Planning Board meeting with that request.

Wastewater Allocation Report

City Manager Neuschafer updated the Council on the wastewater allocation program to include reviewing the SOC projects tied to the allocation program. He shared that the number of gallons for each bedroom was amended by the State of North Carolina on December 13, 2023 and that memo was included in the packet. The City has a certain amount of sewer allocation that is allowed to be used for new development. Under the policy, the city manager is able to grant allocation up to 10,000 gallons per day for non-residential allocation. The City's current

number of allocations is 332,000 gallons. That is what we have been allowed to allocate since the SOC was agreed upon. So that 332,000 gallons is a gallons per day number. In addition to that, as we complete projects, that number will increase by a specified amount that's in the SOC. As an example, our wastewater treatment plant project is winding down and getting ready to be completed in the next couple of months. He anticipates by the time we close out the project later this summer, we'll be allowed to add that allocation which is valued in our quotes at 100,000 gallons per day. So later on, this summer, if that number were to stay the same, we'd be looking at 432,000 gallons per day to allocate.

Rooms To Go industrial development is seeking a 29,400-gallon allocation in their application to develop 100 acres just north of Rooms To Go. So that request will be presented at the June 25 Council meeting. Currently, the city is sitting at about 265,000-gallon allocation remaining. So, we have a lot of ability to add development and sewer taps to the system.

He added that all the projects related to the SOC are to be completed at the end of 2026 and at that time they'll evaluate whether or not the work completed is sufficient to eliminate our stormwater and our wastewater overflow issues.

Budget Discussion

Mayor Pro Tem Sills did ask City Manager Neuschafer to explain the decline in funding to the Library system. He confirmed that all reductions in the Library system are related to the Library being absorbed by the county and becoming part of the countywide Library system.

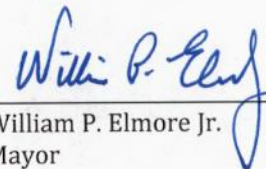
Council Member McNeil requested that some amount be added to the budget for funding PAL and with no additional comments the discussion was closed.

Announcements/Information

Mayor Elmore announced upcoming events and activities. He also updated that the City of Dunn is being awarded a grant for stormwater repairs. The grant is \$500,000 and that will go toward some projects that we are focused on, but the city still needs to find a large amount of money to fund these stormwater projects.

He reported that Congressman Wiley Nickel presented a grant of \$1,466,000 to the I95/140 Economic Development Alliance. The Magnolia School building is under construction now to be transformed into a state-of-the-art facility that will be a workforce training center to train people in our area for needed industry. There is also a new building being built in Four Oaks for workforce training. The Dunn operation will do biotech training as well as computer training and also have offices for new industry. The Four Oaks site will provide advanced manufacturing training.

With no additional business, Mayor Elmore adjourned the meeting at 8:30 p.m., with no objections.



William P. Elmore Jr.
Mayor

Attest:

Tammy Williams, CMC, NCCMC
City Clerk