

**MINUTES
CITY OF DUNN
DUNN, NORTH CAROLINA**

The City Council of the City of Dunn held a Budget Retreat/Planning Session on Saturday, February 3, 2007, from 10:00 a.m.-7:12 p.m. and Sunday, February 4, 2007 from 8:00 a.m.-12:30 p.m. at the Sheraton Grand, New Bern, NC.

Council Present: Mayor J. Dal Snipes, Mayor Pro-Tem Donnie Olds, Council Members Buddy Maness, Bryan Galbreath, Billy Tart, Billy R. Godwin, Jr. and Joey Tart.

Staff Present: City Manager Ronnie Autry, Interim Public Works Director Billy Addison, Human Resources/Safety Officer Moses Gallion, Recreation Director Perry Hudson, Interim Police Chief B.P. Jones, Fire Chief Austin Tew, Chief Building Inspector Mike Blackmon, Librarian Mike Williams, City Planner Steven Neuschafer, and City Clerk Debra G. West

Also Present: City Engineer Ed Powell, City Attorney P. Tilghman Pope, and Daily Record Reporter Lisa Farmer.

Guests Present: Honorable Tom Bayliss, Mayor of New Bern, and Susan Moffat, Director of The Swiss Bear Downtown Development Corporation, New Bern.

SATURDAY, FEBRUARY 3, 2007

Mayor Snipes called the meeting to order at 10:00 a.m. Mayor Pro Tem Olds gave the invocation. Afterwards the pledge of allegiance was repeated.

Mayor of New Bern, Tom Bayliss, welcomed everyone. He gave an overview of the downtown area of New Bern. When he took office as Mayor in 1993, he did not envision how downtown revitalization could impact an area. He stated that you can evaluate the health of a town by looking at the downtown area. A town must be healthy from the inside out. Businesses are attracted by the downtown area of a town.

**Presentation By Susan
Moffat, Director of The Swiss Bear
Downtown Development Corporation**

Ms. Moffat gave a history of the downtown area of the City of New Bern. She presented a slide show presentation of the Swiss Bear Downtown Development Corporation which was created by a private non-profit organization in 1979. They created a special downtown tax district in 1979 at .50 cents per \$100 dollar valuation. Since that time, the taxing district has been expanded and the tax rate has now been reduced to .18 cents. They won the All American City Award in 1989. They created a buy-in plan which was completed in 1990. An urban design plan was implemented in 1990. It took two years to develop this first plan. After seeing the results of the first plan, the second urban design plan in 2002 was approved immediately. The urban design plan was the catalyst to major downtown renovations. Downtown street improvements began in 1995 and were completed block by block. Each block improvement had to be completed within 60 days. \$70 million dollars has been invested in new development.

Review Agenda-Review Preliminary FY '05-'06 Audit Report

Manager Autry presented the Council with the following expected outcomes of the Budget Retreat/Planning Session:

- Provide direction for staff to proceed in the handling of City owned properties
- Form the structure of the Dunn Downtown Development Council and set timetable for implementing
- Goals and Priorities – FY 07-08

Manager Autry explained that Finance Director Renee' Daughtry is still recovering at home from a broken leg. He presented the Preliminary FY '05-'06 Audit Report, Mid-Year Financial Report and Debt Service. Approximately 3.3 million General fund balance at the beginning. \$135,383 expended from Fund Balance.

This amount includes the \$92,000 collected from Adams Graphics for the sale of the city-owned parking lot. Ending General Fund Balance is \$3,190,536.

Available unrestricted general fund balance is \$1,026,463.00.

Available unrestricted water fund balance is approximately 1 million.

Mid-Year Financial Report

Manager Autry presented the mid-year financial report as prepared by Finance Director Daughtry. He summarized the report.

As of January 31, 2007 collections for the current year levy totaled \$2,659,950, which is 91.30% of the total levy.

As of January 31, 2007, collections for the Downtown Service District tax totaled \$20,962, which is 87.34% of the total levy.

The City receives two state shared revenues distributed on an annual basis. The Powell Bill receipt was \$13,923 under the budgeted amount. The NC Alcoholic Beverage tax will be received in May of this year, and is budgeted at \$45,320.

The Utility Franchise Tax is received quarterly, and based on trend analysis and receipts to date, there is an indication that this revenue may be approximately \$23,000 over budget by year end. Discussion was held about House Bill 2047 and Senate Bill 1559 Video Franchising and the effect it may have on cable franchise fees paid to local governments. Effective January 1, 2007, the General Assembly designated the Secretary of State as the exclusive franchising authority for cable service provided over a cable system. This designation replaces the current authorization to cities and counties to award or renew a franchise.

Analysis of the state shared revenues, excluding the Powell Bill revenue because it is restricted in its use, indicates that state funding will be above budget by approximately \$43,000 at year-end.

As of January 31, 2007, the General Fund revenue budget was 67.50% collected, with General Fund expenditures 54.84% expended.

Water fund revenues, if continued at the same level for the remainder of the year, will meet the budgeted amount for this fiscal year.

Several departments have expenditure line items that will require amendments. Any large emergency situations that might arise would call for appropriations from Fund Balance.

Debt Service Report

General Fund – Debt Service Payment Schedule

Installment Purchases

Police Cars – November, 2007
Police Cars – April, 2009
Leaf Truck – November, 2009
Police Cars – November, 2010
Police Cars – August, 2011
Recreation Facility – July, 2019
Hwy 421 – July, 2014

Total Cash Requirements

General Fund

2006-2007 - \$274,673.28
2007-2008 - \$294,428.53
2008-2009 - \$262,931.75
2009-2010 - \$236,480.40
2010-2011 - \$211,665.50
2011-2012 - \$183,202.99

2012 & beyond - \$801,068.00

Water Fund - Debt Service Payment Schedule

General Obligation Bonds

Refunding, Series 2004 - June, 2025

Total General Obligation Bond Debt Service

2006-2007 - \$186,610.00

2007-2008 - \$194,235.00

2008-2009 - \$191,741.26

2009-2010 - \$199,247.50

2010-2011 - \$206,497.50

2011-2012 - \$203,335.00

2012 & beyond - \$2,301,912.52

Capital Leases

24" water main – June, 2009

Wastewater - May, 2013

Water Facilities Improvements – August, 2016

Total Capital Lease Debt Service

2006-2007 - \$491,981.21

2007-2008 - \$484,437.13

2008-2009 - \$476,893.07

2009-2010 - \$250,163.79

2010-2011 - \$242,619.73

2011-2012 - \$235,075.67

2012 & beyond - \$529,438.33

Total Cash Requirements

Water Fund

2006-2007 - \$678,591.21

2007-2008 - \$678,672.13

2008-2009 - \$668,634.33

2009-2010 - \$449,411.29

2010-2011 - \$449,117.23

2011-2012 - \$438,410.67

2012 & beyond - \$2,831,350.85

Break for Lunch and Downtown Tour – 12:30 p.m. – 2:10 p.m.

Discussion of City Owned Properties

- a. Machine & Welding – 100th block of E. Edgerton Street - Manager Autry concurred with Mayor Snipes that they would like a consensus from the Council directing them how to proceed with this property. Planner Neuschafer presented drawings of this property with (3) scenarios of creating a parking lot for the downtown area. 1st option – keep the main Machine & Welding core; adding 19 parking spaces, losing (2) on street spaces with approximate cost of \$26,000 not including the cost of tearing down the building and preparing the area to pave. 2nd option – remove the whole building; adding 39 parking spaces with approximate cost of \$55,000 not including the cost of tearing down the building and preparing the area to pave. 3rd option – remove the whole building and the adjacent building; with a public private partnership, adding 72 parking spaces. It was discussed that this proposed parking area would provide public parking since the City recently sold a parking lot to Adams Graphics along the same general area of Railroad Avenue. Manager Autry asked the Council for direction with this project. Discussion was held about the need for additional downtown parking and preparing for future growth. Currently, the City of Dunn only owns 74 parking spaces (including parking at City Hall). As a point of information, Engineer Ed Powell informed the Council that to develop parking, each space would cost approximately

\$1200.00 and each parking space for a parking deck would cost approximately \$10,000-\$12,000 per space not including land acquisition.

After further discussion, *motion by Council Member Maness, seconded by Mayor Pro Tem Olds to direct City Planner Neuschafer to pursue option #2 and bring back a cost analysis to the Council for consideration.* **Motion unanimously approved.**

- b. McKay House – 100th block of E. Divine Street - Planner Neuschafer displayed drawings of this structure. He presented documentation of a rehabilitation agreement by the Historic Preservation Foundation of North Carolina which places legal measures on how historic properties are restored. Time frames are imposed as to how long to complete renovations. Discussion was held about the marketability of this house. A request for proposal could be assembled and distributed to the open market to explore interest in this property. It would be a better use to put it back into private hands if the City does not have a use for it. Discussion was held about the advantage of retaining this property on the existing lot. This property could be renovated for commercial property, and is not limited to residential use. Discussion was held about converting this structure into a City of Dunn museum. It could take a couple of years if you give the house to the historic preservation commission and at the same time put out request for proposals. Further discussion was held about conveying this property to a non-profit. This property is not in the future space needs of the City.

Motion by Mayor Pro Tem Olds, seconded by Council Member Godwin to direct the Planner and City Attorney to proceed with exploring the possibility of conveying this property to the N.C. Preservation Trust and bring back procedures to the Council for consideration. **Motion unanimously approved.**

- c. Fisherman's Paradise & Jernigan Parking Lot Property – 223 E. Broad Street - Planner Neuschafer presented proposed drawings of this property as additional parking and pocket park with some private partnership. Possible to add as many as 81 parking spaces. Mr. Neuschafer spoke of grant monies available for pocket parks (downtown vacant parcels-hardscaped landscape) in a downtown area. He presented drawings from other towns depicting this scenario. Discussion was held about selling this property and purchasing the adjoining Jernigan Parking Lot. Idea of selling and reinvesting was discussed or keeping this property to develop green space along with parking. Discussion was held about the marketability of this property.
- d. Dunn Civic Center – 200 N. General Lee Avenue - Planner Neuschafer reminded the Council of the recommendation they received from the Civic Center Committee. Mr. Neuschafer presented an idea of a drawing preserving the front guard to create a memorial for the National Guard. Possibility of rehabbing the front two wings of the building to hold civic groups, scouts, etc. (approx. 5,000 s.f.) This would save the facade and still have a usable piece of property. Creating a proposed amphitheater. Discussion was held about distributing an RFP to developers with (7) proposed uses as determined by the City. Discussion was held about moving forward with demolishing the property. Further discussion was held about the monumental value of converting this property to a memorial structure.

Motion by Council Member Godwin, seconded by Mayor Pro Tem Olds to allow City Engineer Ed Powell and Planner Neuschafer (60) days to examine the concept proposed to salvage a portion of the building with the remainder of the property converted to an amphitheater setting and report cost estimates back to the Council. **Motion unanimously approved.**

Ordinance and Policy Changes – Planner Steven Neuschafer And Manager Ronnie Autry

- a. Landscape Ordinance – Planner Neuschafer asked for direction on a proposed landscape ordinance. Currently there are no buffer requirements between C-O and residential properties. Discussion was held about the need to develop a landscape ordinance. Developers will only landscape to the extent they are required.

Council consensus was to direct the City Planner to bring forward a landscape ordinance for Council consideration.

- b. Manual of construction standards and specifications – Manager Autry explained that the City of Dunn does not currently have a policy in place to provide for standards on construction.

Council consensus was to bring back a policy of construction standards for Council consideration.

- c. Stormwater Ordinance/Policy – The City of Dunn is one of only a few towns that does not have a stormwater retention policy. Retention ponds are an excellent source for handling stormwater.

Council consensus to proceed with a stormwater policy.

- d. Garbage Contract – Number of waste companies competing for garbage collection are decreasing. Manager Autry asked for direction from the Council with reference to extending the current contract or to re-bid the contract. If the garbage contract is let for bids, costs will increase. Renegotiating the current contract will involve only a CPI (consumer price index) increase. Currently the City of Dunn is paying approximately \$5 per household rating versus \$6 - \$7 per household costs to re-bid.

Consensus of Council to give the City Manager (30) days to renegotiate with the existing contractor, Republic Waste Services, on the current contract, compare rates of other waste companies and bring back findings to the Council.

Closed Session

5:25 p.m. Motion by Council Member Godwin, seconded by Council Member Joey Tart to enter Closed Session to discuss a personnel matter, pending legal matter and potential purchase of property. **Motion unanimously approved.**

Closed Session

Closed Session adjourned at 7:10 p.m. and Council reconvened the Retreat meeting at 7:12 p.m.

*Motion by Mayor Pro Tem Olds, seconded by Council Member Joey Tart to approve the minutes of the closed session as recorded by City Attorney Pope. **Motion unanimously approved.***

Motion by Council Member Joey Tart, seconded by Council Member Billy Tart to recess the Retreat meeting at 7:12 p.m. and reconvene at 8:00 a.m. Sunday, February 4, 2007. Motion unanimously approved.

SUNDAY, FEBRUARY 4, 2007

Mayor Snipes reconvened the Retreat meeting at 8:00 a.m.

Invocation – Council Member Joey Tart

Dunn Downtown Development Council **DDDC**

Planner Neuschafer presented to the Council examples from the City of Wilson and City of Smithfield Downtown Development Corporation Bylaws. Approximately \$20,000 has already been collected from the Municipal Service District tax since it was implemented during the 2006-2007 budget year.

Recommendation was to create the corporation through the implementation of a private non-profit entity. Discussion was held to create a steering committee to bring back recommendations to the Council. Suggested names to serve on this committee included:

Don or Archie Wood (Archie's Maytag – downtown)
BB & T Bank Representative
First Citizens Bank Representative
Daily Record Representative
Downtown Business Representatives (ex: Sonage Day Salon, RET House)
Dunn Area Chamber of Commerce Representative
DOORS Representative
Tourism Representative
President of a Garden Club
Lester Lee (Lee's Shoe Shop)
Fred Myers (Myer's Security-downtown)
Dallas Dafford (Dafford Funeral Home)
Doug West (Office Value)
Attorney Bo Jones
John Shaw (New Century Bank)
John Snipes (DACC)

Recommendation was to form a steering committee and give them their charge.

**Special Order by Consent (SOC) and Application
For Clean Water Management Trust
Fund Grant (CWMTFG)**

City Engineer Ed Powell updated the Council on the SOC. Issues with sanitary sewer overflows have been discussed for years. The City of Dunn is at the top of the State's list of violators. The City of Dunn has been placed under an SOC where the North Carolina Department of Environment and Natural Resources (NCDENR) forgives the City for past overflows and in return the City will make the equalization facility become reality. Two methods to implement the 3.5 million dollar equalization project. 1st option CWMTFG – 2nd option – secure a 2% low interest loan to fund this facility at a reasonable cost.

In the last year, there has been an uprising by the state of North Carolina, and press about the CWMTFG not providing money for situations such as Dunn. The chairman and executive director of the CWMTFG have since been replaced.

He presented a draft SOC which provides for the City of Dunn to implement the project. The City will pay a \$5,000 penalty for past overflows. The SOC provides for the City to continue to grow. 3.74 million is the capacity flow for the City of Dunn. Construction grant and loan application will need to be submitted in the event that the City is selected for a CWMTFG.

He presented a CWMTFG application for a third attempt by the City of Dunn to obtain a 3.6 million dollar grant (amount of grant has increased since last application submittal) which will be submitted in the next month.

He asked that the Council approve the Resolution to execute the SOC and for approval to resubmit another CWMTF Grant application by March 1st for grant funds to construct the equalization system at the Black River Water Treatment Plant.

In the past, the City has reserved \$250,000 for their match in the CWMTF grant. However, to meet the requirements for this grant at this time, the monthly water bill must equate to 1 ½% of the median household income. For the City of Dunn, the 2006 median household income is approximately \$31,000 – average user currently pays \$36.90/mth; however, the City must implement a 10% increase for the average user to increase the average user monthly bill to \$41.33. Minimum user bills would remain basically the same. He recommended that the bulk users increase 5%. When the application is submitted, the City should agree to implement a rate increase effective July 1, 2007.

He presented a list of the CWMTFG trustees and encouraged they be contacted by members of the Council about the necessity for the City of Dunn to receive this grant.

Grant award is projected for October, 2007.

*Motion by Council Member Galbreath, seconded by Council Member Joey Tart to adopt the resolution to enter into the SOC application and to authorize the payment of \$5,000 . **Motion unanimously approved.** A copy of Resolution (R2007-04) authorizing Mayor Snipes to execute the Special Order by Consent (SOC) document is incorporated into these minutes as Attachment #1.*

*Motion by Council Member Joey Tart, seconded by Council Member Godwin to authorize the Mayor and Clerk to execute the CWMTFG Application. **Motion unanimously approved.** A copy of Resolution (R2007-05) authorizing Mayor Snipes to submit CWMTFG Application is incorporated into these minutes as Attachment #2.*

*Motion by Council Member Godwin, seconded by Council Member Maness to authorize the City Engineer and City Manager to assert to the CWMTFG that the Council will raise the water rates for the high end user to comply with the guidelines of the CWMTFG. **Motion unanimously approved.***

Discussion was held that an approximate water rate increase of 11% for the 5,000 gallon average water user will be necessary to meet the guidelines of the CWMTFG.

Highway 421 Drainage Project Update

Manager Autry gave the Council an update of this project.

Highway 421 will close beginning February 5, 2007 for the drainage project to proceed across the highway and will remain closed for approximately three weeks. To replace the gabions across to Divine Street will increase the project by approximately \$200,000. If this project is completed, as bid, the Powell Bill fund balance will decrease from \$650,000 to approximately \$200,000.

Price for gabions on both sides of the ditch from Cumberland to Divine - \$193,500 quote from the contractor. Price for box culverts under Divine Street is approximately \$250,000.

The Department of Transportation paid additional monies to increase the culvert size under Cumberland Street (Hwy. 421) which will necessitate a larger culvert under Divine Street.

Discussion was held about the length of time it takes to build the Powell Bill fund balance.

Update CBDG Project – Economic Development

Harnett County – Elevated Water Tank

Ed Powell updated the Council about Harnett County proposing to erect an elevated tank in the Edgerton Industrial park area. The City of Dunn has a 12” water line going down Highway 301 South toward Falcon/Godwin to the Cumberland County line.

Harnett County has now proposed that this elevated tank be erected close to Hwy 82. The County has now revised that this tank would be erected near the Bumpass Creek area which is a long way removed from where the City of Dunn thought it would be.

Manager Autry and Engineer Powell were informed of this change in location a few weeks ago. Mr. Autry is trying to arrange another meeting with the Harnett County Public Utilities Director.

Fire Chief Tew stated that from a Fire Department stand-point, this tank should be erected in the Edgerton Park area and not the Highway 82 area.

The Council discussed that they approved this grant based on information from the County that this tank would be erected at Edgerton Park.

Departmental Priorities for FY 07 - 08

Building Inspections

Chief Inspector Mike Blackmon reported priorities of the department: adequate space needs – Manager Autry stated that proposals will be brought back to the Council for consideration.

Library Department

Librarian Mike Williams reported on priorities of this department: Begin operating the Library on Tuesday & Thursday until 9:00 p.m. – good service to the community – can adjust staff hours – 2nd proposal to participate in a popular title book lease program. This will allow the Library to acquire multiple titles- Annual cost is \$5,756.40 which is an additional budget request amount – additional benefit in selecting titles from a pre-publication list. The Library staff currently consists of (2) full-time and (2) part-time positions.

Fire Department

Fire Chief Austin Tew gave a power point presentation. Department priorities: apparatus list to carry the Fire Department through 2017 and 2018 - replace 20 year old service truck in FY 07-08 - add (1) additional full time staff member - renovate Station 2 located on Harnett and Wilson downtown to facilitate personnel at night and eventually around the clock - Upgrade Station 1 on Powell Avenue - Add part-time personnel from 6:00 p.m. – 6:00 a.m. each night – purchase a new staff vehicle – Upgrade Fire Permit Fee Schedule which has not been upgraded since 1992 - Currently have (5) paid personnel – Building needs. \$250,000 unrestricted fund balance in the Averasboro Fund Balance. Powell Avenue station built in 1975. Harnett Street station built in 1996 at \$250,000.

Planning Department

City Planner Steven Neuschafer gave an overview of the planning department with priorities to include support from the Council to move forward with strategies to enhance the community through storm water issues, grants, space needs and staffing.

Police Department

Interim Police Chief B.P. Jones presented a proposed pay plan which consists of a beginning point and how to achieve the top point. He presented a list of past employees (approximately 33) that the Police Department has lost since 2001 and expressed concern with this high overturn employment rate.

Manager Autry stated that the last pay plan was conducted in 1999 by the MAPS group. Other local municipalities have just completed an updated pay plan study and Mr. Autry would like to compare those updated figures with Dunn's pay scale.

Mr. Autry stated that they are working on pay plan increments broken down into 2 ½ % increments instead of a pay scale that list minimum, mid-point, and maximum pay. How is mid-point range defined?

Council discussion about the need to implement a plan to maintain employees and to also have a pay plan in place so that an employee will know how their pay increases will be adjusted.

Recreation Department

Director Perry Hudson gave an overview of the recreation programs and functions of the department. He pointed out that the recreation center continues to expand. Budget request: Mower @ \$9,000 - playground equipment replaced at Tyler and Codrington parks @ \$40,000 - Tennis/basketball court resurfacing at Codrington Park @ \$10,000 - Installation of new little league ball field at Tyler Park to include new lighting for the new and existing fields, sprinkler system and sod @ \$125,000 - replace chain link fencing that surrounds tennis/basketball court areas at Tyler and Codrington parks @ \$18,000 – Grants will be pursued.

Council Member Galbreath expressed his displeasure in the way Codrington Park is maintained.

Mr. Hudson stated that for the past 3 years, he has requested playground equipment for this park. Also the bathroom facilities were repaired and since that time, they have been destroyed to the point that they have had to lock them up.

Identify the needs of the Codrington Park area and address them. Council Member Galbreath and Mayor Pro Tem Olds would like to discuss with Mr. Hudson the need for improvements to this park.

Concern was expressed about securing the bathroom facilities and press box after operating hours at Tyler and Tart Parks. Also discussion was held about securing Tart Park by installing a gate to avoid vehicle traffic in the park.

Public Works

Interim Public Works Director Billy Addison gave an overview of the priorities of this department: Street Department - Limb/brush truck @ \$100,000 - rubber tire front-end loader @ \$100,000 - flail mower @ \$5,000. Cemetery Department – Backhoe @ \$33,000.00 (spent \$10,000 for repairs during the past year) and mower @ \$5,500

Public Utilities

Water Plant

Interim Public Works Director Addison gave an overview of the priorities of the Water Plant:

Replace (3) swing check valves at raw water intake station @ \$30,000

Replace tube settlers @ \$125,000

Replace trac-vac sludge removing system @ \$80,000

Install new fluoride tank and piping (received \$10,000 grant)

Rebuild (3) remaining filters.

The swing check valves, tube settlers and trac-vac sludge removing system are critical to the operation of the water plant. Funds are available in the present budget, due to the City not receiving the CWMTF grant. \$250,000 was budgeted as a match for the grant.

The Town of Erwin is planning to sell a portion of properties they acquired from Erwin Mills. A portion of the land would be beneficial to the expansion of the Water Plant.

Wastewater Plant

Build shelter/hoist to separate chlorine and sulfur dioxide tanks per request from NCDENR inspectors

Replace Mono-sludge handling pump

Replace DAF unit with updated sludge thickening unit

Other Issues

Paving

Manager Autry stated that it is time to compose a paving package for the City of Dunn. He and Engineer Powell will bring back a proposal for fund appropriation to address paving needs along with drainage.

Traffic Light

Erwin Road and Tilghman Drive

Mr. Autry updated the Council with reference to the traffic light installation at Erwin Road and Tilghman Drive. The Department of Transportation (DOT) wreck reports have been recorded for this intersection and it has been placed under the spot safety list. DOT has not given a time-line for installation of this traffic signal.

Discussion was held about the urgency of getting this light in place even if the City installed the light with a commitment from DOT to recover the money at a later date.

Government Channel

Manager Autry reported that a quote has been received from Clark Powell to update the city government channel. This company did an inventory of the present equipment in place. Quote was received to replace the software, training, and video camera in the courtroom at \$18,000. The ABC Board has already given the City a check for \$25,000.

Water Plant Priorities

Manager Autry suggested that the \$250,000 budgeted for the CWMTF grant be retained in the budget for use in replacement of the much needed equipment at the Plants.

Mayor Snipes thanked City Clerk Debra West for the great job in arranging this retreat.

With no further business to discuss, the meeting was adjourned at 12:30 p.m.

J. Dal Snipes
Mayor

Attest:

Debra G. West
City Clerk