

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

The City Council of the City of Dunn held a Special Call Meeting on Thursday, August 21, 2008, at 5:30 p.m. in the Dunn Municipal Building. Present was Mayor Oscar N. Harris, Mayor Pro Tem N. Carnell Robinson, Council Members Buddy Maness, Bryan Galbreath, Billy Tart, Chuck Turnage and Joey Tart. Also present was City Manager Ronnie Autry, Police Chief B.P. Jones, Finance Director Mark Stephens, City Planner Steven Neuschafer, Recreation Director Perry Hudson, Public Works Director Billy Addison, Public Utilities Director Dean Gaster, Lt. Rodney Rowland, Chief Building Inspector Mike Blackmon, City Attorney P. Tilghman Pope and Daily Record Reporter Reece Murphy.

City Clerk Debra G. West was absent.

INVOCATION

Mayor Harris opened the meeting at 5:30 p.m. and gave the invocation. Afterwards the Pledge of Allegiance was repeated.

AGENDA ADJUSTMENT

A motion was made by Mayor Pro Tem Robinson and seconded by Council Member Turnage to adopt the August 21, 2008 Special Call meeting agenda with changes, if any, as listed below.

Items Added to the Agenda:

- Resolution adopting budget for Wastewater System Improvements

Agenda Items Removed:

- none

ITEMS FOR DISCUSSION AND/OR DECISION

**RESOLUTION ADOPTING BUDGET
FOR WASTEWATER SYSTEM IMPROVEMENTS**

Manager Autry explained that this is a resolution adopting the budget proposed for the wastewater system improvements project, including flow equalization facilities at the wastewater treatment plant and expansion of the eastside pumping system. This project is proposed in concert with the Clean Water Management Trust Fund Grant of 2.95 million. This resolution will be submitted to the Rural Center for a \$500,000 supplemental grant. Mr. Autry stated that the remaining 1.4 million for this project will be obtained through the Division of Water Quality State Revolving Loan at a low interest rate of 2%. Total projected project budget is \$4,890,000.00.

Mayor Pro Tem Robinson asked Manager Autry what is the water fund balance. Manager Autry responded it was approximately 1 million with total assets of 15.1 million in the water fund.

Further discussion was held about the language in the proposed resolution which states that the City may use their fund balance to pay the remaining 1.4 million or they may borrow it from the Division of Water quality state revolving loan. They discussed that it is not the council's intent to use the fund balance.

Motion by Mayor Pro Tem Robinson and seconded by Council Member Joey Tart to approve the resolution adopting budget for wastewater system improvements and affirming water and sewer rates exceed 1.5% of the median household income. **Motion unanimously approved.** *A copy of resolution (R2008-15) adopting budget for wastewater system improvements is incorporated into these minutes as attachment #1.*

ACCEPTANCE OF HANNA'S POND PROPERTY

Manager Autry explained that Mr. O.W. Godwin wishes to donate this property to the City of Dunn. Overflow lines to the property have been videoed, photos of the property and photos of other various lakes and ponds were shown.

Mayor Harris asked that they first clearly identify the property proposed for donation to the City including a metes and bounds description.

City Planner Steven Neuschafer gave the council information concerning ownership of the adjoining property to the pond. Mr. Godwin will retain property which extends into the water on the Lakeshore Subdivision side of the property. Concern was voiced on how the City could create a buffer on land that is partially in the water. Also on the other side of the pond, property is owned by Mr. Irvin Warren which extends fifty to seventy-five feet into the water. By owning property into the waterway, they discussed that Mr. Warren would be able to construct a platform into the water. They discussed how this may impact the usage of the pond or how the City could prevent the public from accessing someone else's private property.

The Council discussed that if they accept this property, would the City need to hire additional personnel to maintain this property. Discussion was held about grant opportunities that may be available for this property.

Discussion was held that some of this property proposed for donation is located across Carolina Drive. Mr. Neuschafer stated that according to Harnett County GIS records, it does not show ownership by Mr. Godwin.

The Council discussed their desire to have a survey and metes and bounds description provided by Mr. Godwin, and the water rights of property owners going into the pond.

The Council asked City Attorney Pope to request this information from Mr. Godwin.

Discussion was held that a City owned water amenity can be a positive offering to citizens.

Motion by Mayor Pro Tem Robinson and seconded by Council Member Turnage to direct the City Attorney to draft a request to Mr. Godwin to gather information to respond to the questions posed by the City Council.

A question was raised about the spill-way being converted to parking, if it can be filled in and if it would be located in a flood plain.

In referring to a letter "Notice of Inspection" from the Division of Land Quality dated April 23, 2007, City Attorney Pope brought to the attention of the Council, a requirement to expend approximately \$50,000 to address the notice of deficiency issues outlined by the Division of Land Quality.

Further discussion was held about the impact to the Recreation department, including personnel and maintenance, should the City accept this gift.

Discussion was held that this gifting of a water resource could enhance offerings by the City to its citizens but at the same time, the Council needs to explore all concerns with accepting this property. If the City does not accept it, it will be offered to someone else. This property is not currently located in the City limits of Dunn.

Discussion was held that if the City accepts the property and if they are under no timeline to develop it then they could sell it or apply for grant funding; however, they will need to know when the notice of deficiency would have to be paid to the Division of Land Quality.

Motion unanimously approved.

ACCEPTANCE OF HARNETT COUNTY BOARD OF EDUCATION PROPERTY

Manager Autry explained that this property acceptance has been ongoing for about ten months. He has been in contact with School board personnel to inquire about the current lease between the City of Dunn and Harnett County. The lease will expire in November, 2008. He and City Attorney Pope met with Harnett County Board of Education member Billy Tart to discuss this property being donated to the City of Dunn. With the close time frame of the expiration of the lease, City Attorney Pope has drafted a Memorandum of Understanding (MOU) between the City of Dunn and the County of Harnett.

Mr. Autry explained that Hope Ministries sublease coincides with the City of Dunn's lease.

City Attorney Pope gave the Council background information with regard to this property lease.

- Harnett County Board of Education leased the property to the City of Dunn ten years ago for \$1.00 per year.
- The City insures the building and accepts maintenance responsibility under the terms of the lease.
- PAL is located in the property.
- A sublease was given to Hope Ministries.
- There is an option to extend the lease from the Harnett County Board of Education.
- The County has expressed an interest in accepting the property from the Board of Education upon assurance from the City of Dunn that they would accept it from the County.

City Attorney Pope stated that if the City is going to consider accepting this property, a correct metes and bounds description needs to be acquired along with a boundary survey.

Mr. Autry stated that Davis-Martin-Powell & Associates is completing the survey maps.

This property currently houses the Police Athletic League Program (PAL) for the City of Dunn. The City of Dunn Senior Program is also located in the building. A portion of the building is also leased to Hope Ministries Daycare. The only portion of the building that is not being used is the old school portion of the building. It remains empty.

Mayor Harris pointed out that this property is one of the Rosenwald schools. Julius Rosenwald, president of Sears, Roebuck and Company, went out across North Carolina between the late 1910s and 1932 building schools for African Americans. Over the years, the North Carolina State Historic Preservation Office has guided preparation of National Register nominations for fourteen Rosenwald schools across the state, and twenty-two more have been identified as potentially eligible for listing in the Register. More than 800 were built in North Carolina.

Mayor Harris informed the Council that today, he took some folks out to look at the school. This school could be a potential location to house senior apartments. It was estimated that twenty senior apartments could be developed in this building. This would enhance this area and the City could make this a showplace for the area, tying it to the Codrington Park location. Mayor Harris explained how the City of Dunn could provide a "return to owner" whereby the City could make this a viable center to produce income via lease of the land, obtain funds from the sale of the facility to the developer and create an income stream for the management of the facility plus provide housing for twenty or more elderly folks.

Mayor Harris stated that he would be providing the Council with a proposal in the near future.

Mayor Harris suggested that the Council defer the adoption of the memorandum of understanding until he receives a solid report back from developers.

Discussion was held about the Council's options to extend the lease of the property from the County, accepting the donation of the property, and requesting a waiver of the tipping fees from Harnett County should the City have to demolish the building. City Attorney Pope stated that he could request this waiver in the MOU.

Discussion was held about the county maintaining the boiler system in this facility at present and the possibility of having to change-out the system should the City obtain the building. Discussion about the

soundness of this structure, using this facility for vocational purposes even if a developer does not rehab it and the importance of retaining this building because of the present city facilities (PAL and Senior Center) located there.

Discussion was held about Hope Ministries renewing their lease and along with the renewal, the possibility of Hope Ministries replacing the boiler system.

City Attorney Pope pointed out that if the Council is going to ask the County to include in the MOU, a waiving of tipping fees if it came to that, then that would be something that would be posed to the County, therefore, delaying the Council's adoption of the MOU until they receive an answer from the County on this issue.

Council consensus was to allow the City Attorney to pose the question of waiving the tipping fees to the County, wait for a response from the developers, and place the MOU on the September Council meeting.

Discussion was held about contacting the Town of Eastover to inquire how they rehabbed the old Eastover School.

DISCUSS YARD DEBRIS CONTAINERS

Mayor Harris stated that he brought this issue back to the Council. He pointed out the amount of yard debris and grass clippings through-out the town and how this debris is washed into the storm drain system when it rains. There are no clear ordinances setting out whose responsibility it is for removing this type of debris.

Mayor Harris stated that if they would establish a yard debris container program, each household could be assigned one debris container with an option of buying additional containers. Payment could be based on the number of containers issued. This would give each household the sole responsibility for the debris they create. If debris is placed in the container, the City will pick it up. If debris is not placed in the container, citations could be issued for not obeying the ordinance.

The City's current solid waste contractor is Republic Waste Services and they have given a quote to pick up yard debris carts three (3) days a week for a fee of \$4.70 per cart per month. Cost for the pickup of 3,775 carts would be approximately \$213,000.

Mayor Harris suggested they obtain quotes from Waste Industries and Waste Management for this service as well.

Mayor Harris stated that the City is currently cleaning up roadsides, curbs and sidewalks. He encouraged the Council in the next month, to check other cities that use yard debris carts and inquire how the citizens of those cities responded to the debris carts. He would like to see the City of Dunn move forward with this issue.

Manager Autry stated that the City's vacuum truck would continue to pick up leaves during the months of October to January, and the small piles created during the summer and spring season could be placed in the debris containers. The City of Fayetteville has converted to the debris carts but he has not inquired how the system is working. The carts are an ideal situation to convert to, however; there is a cost factor. The City needs to require lawn contractors to pick up their grass clippings instead of leaving them by the roadside for the City to pick up. Presently, the leaf vacuum truck is running on a continual twelve month cycle, wearing out a \$125,000 truck picking up grass clippings, when this truck could be parked, and the operator could be mowing vacant lots and right-of-ways.

Discussion was held that the debris carts could be used for grass clippings, leaves, and limb trimmings. The present ordinance is too vague in that it allows property owners to leave not just trimmings, but trees by the roadside. Discussion was held that should they adopt the debris carts, then during an act of disaster, the City would make exception, and pick up larger trimmings.

Consensus of the Council for the City Manager to obtain proposals from Waste Industries and Waste Management for debris carts, as well as recycle containers.

5 minute recess

**RESPOND TO THE LOCAL
GOVERNMENT COMMISSION
CONCERNING THE FY 06-07 AUDIT**

Mayor Harris presented a letter received from the State of North Carolina, Department of State Treasurer. He read an excerpt from the letter which stated that “as of June 30, 2007, the amount of fund balance was \$1,631,866 or 19.10% of total fund expenditures. Statewide, the average fund balance available for comparably sized municipalities was 65.51% of their total General Fund expenditures.” Mayor Harris stated that this is a concern. He also read from the letter “we noted various weaknesses concerning your City’s internal control system that were communicated to you in the Schedule of Findings. We are especially concerned that the auditor reported as a material weakness that the records were not complete due to the failure to reconcile banks accounts, revenues and control accounts in a timely manner.” Mayor Harris asked newly hired Finance Director Mark Stephens to address these two items of concern. Internal auditors Cherry Bekaert & Holland have been obtained to reconcile cash accounts and general ledger subsidiary items as of June 30, 2008. From that point, Mr. Stephens will begin reconciliations.

Mayor Harris yielded to Finance Director Mark Stephen to explain how to correct the issues that have been brought to the attention of the City by the Department of State Treasurer and the Local Government Commission (LGC).

Mr. Stephens explained that the projection of this letter is not as bad as it seems. After conversation with the City’s Auditor, there are several factors that led to the decrease in the percentage of fund balance available for appropriation. These include paying for several major projects from fund balance, several short-term borrowings from within the City’s Funds, amounts that are still owed to the City from other governmental agencies, and the increase cost of operating the new recreation facility.

Mr. Stephens explained that there are several ways to build the City’s Fund Balance. One is to budget revenue conservatively. This is already performed during the City’s budget process. Another way is to review the town’s revenue sources. The City may want to look at the fee structure and determine if they are correct. One area in particular is fees associated with the new recreation facility. Also the City needs to review the tax rate at revaluation to determine if the correct tax is being accessed based on the level of service provided. One final way to build fund balance is to not use it as funding sources. This means any new projects need to be financed through debt borrowing and it should not be used to balance the budget. In the current FY 08-09 budget, there is no fund balance used.

Discussion was held that paying cash for large purchases may have hurt the City instead of financing those purchases. The Council needs to be aware that fund balance is off limits when they discuss all the projects they would like to do.

Mayor Harris pointed out that this white letter received from the State Treasurer is for the FY 06-07 audit. The FY 07-08 audit has already been closed out. The corrections have been made as far as the Finance Director is concerned. An additional CPA firm was brought in to assist in completing the audit for June 30, 2007 and they are also assisting with the June 30, 2008 audit. The next area is to build the fund balance; however, they still have an obligation to provide services to the citizens. The fund balance may need to be built from the tax base. It may take three to five years for the fund balance to build back up.

**CONSIDER COMMUNITY
CONTRIBUTIONS**

The following community contribution requests have been submitted to the Council for consideration:

Organization	Requested contribution
Friends of the Howard House	\$5,000.00
Harnett County Arts Council	Open
Downtown Dunn Development Corp.	Match dollar for dollar annually (approx. \$24,000) the downtown tax district monies
Triton High School	Open (for China Delegation)

Averasboro Battlefield Museum \$500 or more (sponsorship)

Manager Autry pointed out that Dunn Tourism has also committed to contribute to Triton.

Motion by Mayor Pro Tem Robinson and seconded by Council Member Turnage to allocate contributions to the organizations as follows:

Howard House	\$ 5,000
HC Arts Council	\$ 500
Triton	\$ 3,000
Averasboro	\$ 500
DDD	\$12,000

Discussion was held that each year, written requests must be submitted with no guarantee that the City will make a contribution. Each organization must qualify as a 501(c) (3), governmental or quasi-governmental organization.

Motion unanimously approved.

PUBLIC WORKS NEEDS

Manager Autry explained that this was a subject matter suggested for discussion.

Council Member Turnage inquired about the proposed street paving project. Mr. Autry responded that City Engineer Ed Powell has given an estimate of approximately \$500,000 to pave these streets, an estimate higher than they thought. Public Works Director Addison, along with Council Member Galbreath and Mayor Pro Tem Robinson have looked at some other areas that need to be paved. Mr. Autry explained that the proposed paving list is not based on how many streets are in each district. Some districts do not have as many streets identified as others. The list they composed consisted of the worst streets that need repair. Annually, the City usually spends around \$100,000 for paving. He asked that each Council member look in their district for streets they are concerned with, and relay this information to Public Works Director Addison so that Mr. Powell can evaluate them and compose a projected cost to pave additional streets.

Mayor Pro Tem Robinson stated that he spent a few hours with Public Works Director Addison looking at some issues around town. He stated that this Council is going to have to decide whether or not they are going to be just status quo or if they are going to do some things to improve this city. He mentioned the recent appearance enhancement of Ellis Avenue and Granville Streets, which has been long overdue. He mentioned a lot of overgrowth of properties which attracts unwanted rodents in the eastern part of Dunn. He was concerned to hear of the under-staffing within the Public Works Street Department.

Mr. Robinson mentioned the inability of the street sweeper to sweep streets within the city that do not have curb and gutter. He stated they need to offer equitable service to all areas of the town.

Mayor Harris suggested that Mayor Pro Tem Robinson, Director Addison and Manager Autry look at these issues and bring back a plan of action.

Mr. Robinson asked if the City Manager could find out what the equipment needs would be to allow the street sweeper to sweep other streets in town.

Manager Autry stated that he would like to see them work on a plan to lay-out during the next budget retreat. There are major costs when you talk about paving. If you take \$100,000 out of Powell Bill funds to pave annually for the next five years, they need to take into consideration that the city receives approximately \$360,000/yr. from Powell Bill; however, next year, they will be looking at purchasing a street sweeper for \$175,000-\$200,000 as well as the need to purchase a dump truck at approximately \$75,000. In this plan, they need to project expected expenditures.

PUBLIC SAFETY CONCERNS

Council Member Galbreath stated that he spoke with Chief Jones earlier in the week about concerns with drug activity in east Dunn. There is probably more rental housing in east Dunn than any other part of the City which sometimes spurs drug activity and prostitution.

Mr. Galbreath stated that Chief Jones has some ideas on how to handle these issues by means of adding to the existing curfew and noise ordinance. Mr. Galbreath mentioned the animal control ordinance and asked Chief Jones to present this information.

Chief Jones explained that with the recent hiring of a helper at the animal shelter, Animal Control Officer Patti Lane will have more time to devote to enforcement.

Mr. Galbreath voiced his concern with the decrease in policemen patrolling residential neighborhoods. Chief Jones stated that patrol will pick back up with the recent implementation of the curfew ordinance. The curfew ordinance has caused a decrease in youth activity at night. Chief Jones explained that businesses also require patrolling measures.

Mr. Galbreath mentioned serious concerns with St. John Terrace apartments, E. Vance Street at Elm, and Townsend Street.

Mayor Pro Tem Robinson stated that they have an obligation to protect the business community; however, most businesses have alarms. Alarms do not go off in these neighborhoods when someone is selling drugs. Prevention, if possible, will be appreciated by the citizens he has talked to.

Mayor Harris stated that they need to put the police department patrol back in the communities; however, there is also a cost for this. He asked that Mayor Pro Tem Robinson, Council Member Galbreath, Chief Jones and Manager Autry put together a plan of action to bring to the next budget retreat for consideration.

Mayor Pro Tem Robinson mentioned that in years past, traffic stops were performed.

Further discussion was held about various areas of town and concerns with activities in those areas.

With no further business to discuss, Mayor Harris adjourned the meeting at 8:20 p.m.

Oscar N. Harris
Mayor

Attest:

Debra G. West
City Clerk