

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

The City Council of the City of Dunn held a Special Call Meeting/Budget Work Session on Tuesday, May 13, 2008, at 8:30 a.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, City Planner Steven Neuschafer, Building Inspector Mike Blackmon, Recreation Director Perry Hudson, Police Chief B.P. Jones, Public Works Director Billy Addison, Public Utilities Director Dean Gaster, Librarian Mike Williams, City Attorney P. Tilghman Pope, and City Clerk Debra West.

**INVOCATION**

Mayor Harris opened the meeting at 8:30 a.m. and asked Mayor Pro Tem Robinson to give the invocation. Afterwards the Pledge of Allegiance was repeated.

**AGENDA ADJUSTMENT**

Motion by Mayor Pro Tem Robinson, seconded by Council Member Maness to adopt the May 13, 2008 meeting agenda with changes, if any, as listed below.

*Items Added to the Agenda:*

- Mowing Agreement Amendment – DOT
- Civic Center/Old Armory Demolition

*Agenda Items Removed:*

- none

**Motion unanimously approved.**

**ITEMS FOR DECISION**

**MOWING AGREEMENT AMENDMENT - DOT**

Manager Autry explained that the annual maintenance agreement for the year 2008 between the NC Department of Transportation and the City of Dunn for mowing state right-of-ways within the City Limits was approved at the May 1, 2008 Council Meeting.

Mr. David Plummer, NCDOT representative, contacted the City Manager's office on May 12, 2008 and stated that upon reviewing the contract, it had come to their attention, two issues which needed to be corrected. Since the City of Dunn has already approved the contract, he asked that the following two amendments be made to it. Replace the strike-through with the new underlined language.

#7. Reimbursement shall be made upon ~~annually~~ quarterly upon completion of the yearly mowing cycle.

#8. Furthermore, the Municipality, or its agent, shall maintain all pertinent records and documentation for a period of not less than five (5) years following the final ~~audit by the Department~~ mowing cycle of the current year.

Motion by Council Member Galbreath, seconded by Council Member Billy Tart to approve the Mowing Agreement Amendment to the 2008 annual maintenance agreement between NCDOT and the City of Dunn. **Motion unanimously approved.** *A copy of the 2008 Mowing Agreement Amendment between NCDOT and the City of Dunn is incorporated into these minutes as Attachment #1.*

## **CIVIC CENTER/OLD ARMORY DEMOLITION**

Manager Autry explained that bids were received from the following contractors to demolish and remove the old Civic Center/Armory. He noted that bids received were considerably lower than the figure projected last year.

Eastern Environmental, Inc. (Asbestos abatement & demolition)	\$69,985.00
Utilities Plus, Inc. (Demolition only)	\$72,500.00
Generations Construction Inc. (Demolition only)	\$79,000.00
Dixieland Timber Company, Inc. (Demolition only)	\$107,000.00
Daucom Clearing, Grading & Demolition (Demolition only)	\$112,742.00
AB Control, Inc. (Asbestos Only)	\$19,795.00

Mayor Harris asked if these quotes included site clean-up. Mr. Autry responded yes.

Council Member Turnage requested that the seals on the building and the front steps be saved for the potential construction of a future memorial.

Much discussion was held about the ability to save the steps in their present location during demolition, and the safety issues with accomplishing this.

Motion by Mayor Pro Tem Robinson, seconded by Council Member Billy Tart to award the contract to Eastern Environmental, Inc. in the amount of \$69,985.00 for the asbestos abatement and demolition of the Civic Center/Old Armory and approve budget amendment 14 with the stipulation to save the seals on the building. **Motion unanimously approved.** *A copy of Budget Amendment #14 is incorporated into these minutes as Attachment #2.*

## **ITEMS FOR DISCUSSION AND/OR DECISION**

### **FY 08-09 BUDGET**

Mayor Harris asked that the Council work on the budget as a consensus and not by motion. Some issues may need to be addressed in further depth but he asked that they keep a running list of items and additional information the Council would ask from the City Manager. Mayor Harris asked that the Council keep in mind the retreat items that were prioritized by the Council.

He asked that Manager Autry summarize the budget.

Manager Autry pointed out that this budget is based on the current tax values. Re-valuations will not be completed until 2009. When he checked with the County, the tax values had dropped. In speaking with other municipalities through-out the county, they have received the same information with less values. He feels that these numbers are low based on \$570,000,000 but he cannot project a higher number at this time.

Mr. Autry pointed out that for every .01 cent tax increase, it would generate \$55.861.00.

#### Revenues: General

- Ad Valorem Taxes: Figures are based on a 98% collection rate with an approximate tax base of \$570,000,000 with a tax rate of .48 per \$100 valuation. This represents a 4 cent tax reduction due to the merger of the Fire Department and the Dunn Rescue Squad.
- Next year's projected state revenues are based on current year collections with some receiving a 1% - 2 ½% increase as recommended by the North Carolina League of Municipalities.
- Residential garbage fees are recommended to increase from \$11.00 to \$11.50 per month. This increase would generate approximately \$20,000 annually. The City provides around the year leaf and limb pick-up which is a service that other towns do not provide. The Council needs to take a strong look at this service. He proposed that the garbage rate increase by \$1.00 per month. A truck would cost approximately \$100,000. Mayor Harris proposed an additional container be provided to residents for debris and contract this service to Republic. He asked that the City Manager obtain quotes from Republic to provide this additional service. At the same time, the City would save monies. The City would still provide pick-up during the heavy leaf season (Oct-Jan) This involves some modification to the code with regard to collection of leaves, limbs, and debris that has been discussed for years. The Council discussed that this policy must be clear and concise for the residents to understand this change in service. With the increase in tipping fees and gasoline prices, the City must look at other avenues to keep the tax rate down while providing service. Discussion was held about how to handle trees in the City's right-of-way and trees that are left on vacant lots that do not belong to the property owner. Keep these issues in mind if the ordinance is amended to reflect these changes.
- Laws changed last year with regard to medicad cost. ¼ cent was taken from the County and will be felt next year. With this decrease, the City does not know how this will affect revenues in the future.
- \$650,000 has been obligated for transfer from the Water Fund to the General Fund to cover joint costs of personnel, materials, insurance and associated costs.
- Reimbursement from Tourism Authority has been reduced (10-397-0100). Tourism is looking at funding the position of Tourism Marketing Director and removing it from the City payroll.
- \$116,761.77 from the NC Gang Grant has been appropriated within this budget.
- General Fund grand total 8.247 million.

*Break 10:00 a.m. – 10:10 a.m.*

#### Revenues: Water

- Water and sewer rates are recommended to remain the same.
- Enterprise fund account is increasing and will be used to address future wastewater upgrades.
- 30-378-000 Tower Site Rental projected at \$50,000, however with an additional company being added to the tower, he projected that this figure will increase.
- The Council discussed several accounts and their projections.

#### Expenditures: General

- General Fund operating is scheduled to be comparable to the FY 07-08 Budget, with increases involving specific reoccurring line items with emphasis on fuel cost and utilities.
- Employee hospitalization insurance is with Blue Cross Blue Shield of North Carolina at a current cost of \$456.32 per employee per month. After meeting with the insurance broker on May 12, 2008, Mr. Autry advised that the City would incur a 5.8% decrease in premiums with the same coverage. (90/10 plan).
- All debt service requirements have been appropriated in this budget to meet our debt obligation. Our statement of debt is attached for your review.
- Most of the capital outlay items requested were not funded with the limited funding available. A list of items proposed by department heads for funding is as follows:

##### *Police Department:*

Lease of video camera recorders for	
Vehicles	\$40,000
Five (5) vehicles (Finance purchase)	\$125,000

*Building Inspections:*

Salary for Rental Housing Inspector	\$40,000
Truck for Inspector	\$14,000

*Planning:*

Salary for Planning Technician	\$42,000
Truck for Department	\$16,000
Center City Revitalization Plan	\$35,000
Tyler Park Plaza Plan	\$10,000

*Public Works:*

Flail Mower	\$7,500
Vinyl Fencing for Greenwood & Memorial Cemeteries	\$17,000
Boom Truck for Limbs (Finance Purchase)	\$100,000

*Recreation:*

Storage Area attached to rear of Dr. P.K. Vyas, MD	
Recreation Center	\$25,000
Concession/Restroom Building at Tyler Park	\$70,000

**\$541,500.00**

*Community Service Contributions Requested:*

Howard House Restoration	\$5,000
Art's Council	\$5,000
Downtown Dunn Development Corporation	\$25,000

**\$ 35,000.00**

Expenditures: Water

- Major capital needs have been addressed for additional repairs and upgrades at the Water Plant and the Wastewater Plant.
- All debt service requirements have been obligated in the FY 2008-09 budget to meet our debt responsibilities.
- \$218,937.93 has been placed in the Contingency line item as a surplus of water fund revenues. These funds in the future will be toward the payment of debt service for the major sewer and water improvements.

A 3% COLA has been factored in this budget which equates to \$126,480 for the General Fund and \$32,124 for the Water Fund. He asked that the Council consider an additional \$100,000 be appropriated to adjust for a compaction that has occurred in our pay plan and to address our long term employees. The longevity pay benefit has been funded as well.

Manager Autry summarized the Revenue Projections and addressed questions from the City Council with reference to several of these accounts and the formulas used to make the projections.

Manager Autry summarized the General Fund Expenditures.

The Council discussed the proposed FY 08-09 expenditure budget list and compared it to FY 07-08. Discussion was held about the following accounts:

*(410) Governing Body*

410-Gov. Body    Governing Body Account 10-410-0200 increased with the Mayor's salary (which he does not accept, but has been factored in this account)

10-410-1400	Increase to cover rising cost of travel
10-410-5701	Decrease due to less lawsuits
10-410-5700	Public relations – Used for ads in publications, newspaper and for condolences

*(420) Executive Manager*

- 10-420-0300 Car Allowance for the City Manager-Auditor's suggest that this line item be created to deduct taxes instead of reimbursement
- 10-420-1400 Travel, meetings increased
- 10-420-5700 Miscellaneous – Retreat

*(443) Finance*

- 10-443-5901 (Salary & Wage Adjustment) - reflects a 3% COLA increase for all general fund employees

\$100,000 unfunded account

3% projected for salary increase. The League has given a CPI of over 4%. Some cities have proposed a 4% salary increase. Discussion was held about the compaction of salaries. The last job study was in 1998; however, monies were never allocated to address the need to alleviate compaction within the pay scale. For instance, there may only be a \$500 difference between a PO I and PO II.

Mayor Harris asked that the Council consider a 4% COLA. Also he asked them to consider that an employee not make less than \$10 per hour. They will save money to retain good employees instead of replacing them.

- 10-443-6000 Longevity has been factored into the budget.

Discussion was held that a livable wage in North Carolina is a little over \$12 per hour.

Manager Autry explained that the City needs to upgrade their salary grade, classification and job descriptions.

*(500) Building Operation and Maintenance*

- 10-500-3400 Increase in Operating Lease-Computers/Copiers – Additional computers requested by the Police Department

Discussion was held about the upcoming computer lease renewal and how computers are disposed of once the prior lease is expired. Manager Autry explained that he will be able to buy-out the lease by purchasing (36) computers for \$9,000 which will be used for re-distribution to the Library, Senior Center, and to other departments that do not need new computers.

- 10-500-5400 Insurance and Bonds – Workers Comp, general liability, etc. – Mr. Autry received new projections on May 12, 2008. With the proposed removal of the Fire department employees from the Worker's Comp policy, the projection will be \$420,000 instead of \$445,000

- 10-500-7401 Property Improvements. Discussion was held about taking responsibility to keep City property maintained. The Council should receive an on-going report of the current state of city owned buildings so that monies can be budgeted annually for up-keep. There should be some potential figures to factor into the budget to address the potential relocation of the Inspections/Planning Department.

*(510) Police*

- 10-510-0203 Separation Allowance - increase due to the recent and near future retirement of long term police employees.

Police Chief is requesting 4% COLA and \$35,000 to address the compaction of salaries between long-term and short-term employees within the Police Department.

- 10-510-3101 Auto Supplies-Gas, Oil - \$95,000 allocated – Police Chief Jones advised he is looking at options in making modifications to save fuel. He has already proposed measures in reducing day shift patrol by 10 miles by having officers walk. Patrol is being conducted during peak hours of crime. There are very few calls between 1:00 a.m. and 6:00 a.m.

They are parking one car per hour, which would reduce 45,625 miles in one year. This measure can reduce the cost of gas by an excess of \$13,000 per year. 890 gallons reduced to 624 gallons in 8 days. In the proposed budget, he projects saving an excess of \$30,000 in fuel costs. If an officer lives beyond 15 miles, they are not allowed to drive the police vehicle home.

10-510-7401 C.O.-Replace Police Vehicles - Account is currently unfunded; however, the Police department is requesting \$125,000 for five police cars. They propose to finance the purchase.

10-510-1102 Pager/Cellular Phone – Increase from \$8,500.00 to \$11,000.00 – Increased from prior year - Chief Jones explained that he removed pagers from the supervisors and replaced them with cell phones. With confidential and sensitive information, cell phones work better and they have the capability of contacting officers all at once if needed.

Chief Jones explained the PAL Explorer Scout Program and the positive results he has seen from this program in creating future Police Officers. The Council commended the PAL Explorer program.

The City Council asked that PAL Director Rodney Rowland to sit in after lunch to answer questions.

*Lunch Break: 12:10 p.m. – 1:10 p.m.*

Mayor Harris reconvened the meeting at 1:10 p.m.

10-521-6110 Pool Admissions for PAL – This projection is income roll-over from prior year and not expenses.

*(530) Fire*

Manager Autry announced that on Monday, May 19, 2008, a public hearing will be held by Harnett County to consider the resolution from the Dunn City Council requesting that the municipal limits of Dunn be included in the Averagesboro Fire District. The Council was encouraged to attend this meeting.

\$120,000 to fund the fire inspector, vehicle, hydrant maintenance, departmental supplies, computer software, and additional personnel as required. The fire inspector will be housed with the building inspections department. Discussion was held about breaking apart the fire inspection fees from the building inspector fees for future division of the two separate fees and if the fees are self-supporting of the department.

*(540) Building Inspection*

10-540-4501 Demolition - \$2,500.00 - Advertisement fees for posting properties in the local paper and weeded lots. Discussion was held about increasing the mowing fees to encourage the landlords/tenants to mow their own lots. If the City does not collect the monies owed, then the fees are assessed as a lien against the property. The City currently charges \$75.00 to the property owner to mow around houses/structures and the City pays the contractor \$60.00. Discussion was held about doubling the fee. Discussion about contracting out to a private contractor to also mow vacant weeded lots. Mayor Harris discussed sending a letter early on, to the property owners advising them to mow their lots and take the necessary steps to try to collect the monies. They will attempt to collect the money. With the paper work involved by the administration, at times, it is not worth the intensive labor to collect the fees. Increase the rates, contract it out and follow all the procedures to try to collect the monies. With the current process, they send a letter to the property owner at the beginning of the grass season, advising that if the grass exceeds 12", the City will mow and bill to the owner. If payment is not made to the City, small claims court is used to collect the money; however, if the owner lives in another state, they have to file it as unclaimed taxes. Much discussion was held about different procedures to use to improve the image of the City in mowing the vacant lots and around

vacant houses. The process is so cumbersome, that staff does not need to chase owners for \$60 or \$75.

10-540-7400 Capital Outlay - \$6,000 for software update (Firehouse) for the inspections department including the fire inspector's software. Manager Autry recommended increasing this line item to \$20,000 to purchase portable cubicles for the old Powell Avenue Fire Station to accommodate the building/planning department.

Position of Rental House Inspector has not been factored into the budget. Rental inspections are performed every two to three years. Budgeted amount projected to be \$50,000. Discussion held about the code change to accommodate this procedure. Attorney Pope stated that he would like to see a special call meeting to address the rental housing code, curfew and noise ordinances. Several issues with the rental housing code need to be addressed and he would need to know how complexes would be excluded from the code. Attorney Pope would like feed-back from the Council on these ordinances. Manager Autry stated that a \$25.00 rental inspections fee would not cover the costs for an inspector. The fee would need to be in excess of \$50.00 per unit. As part of the budgeting process, the Council will need to decide if they will fund the rental inspector with a comparable inspection fee to pay for the inspector. With 900 units, \$60.00 fee would only break even. Inspector Blackmon stated that an annual fee is charged to the property owner for inspections which are done on a two to three year cycle. The property owner will be required to pay the fee annually.

The Council discussed setting a special call meeting to discuss the rental housing code, set the fees for rental inspections, curfew and noise ordinances, weeded lot fee and procedures; to finalize the ordinances and schedule a public hearing for same.

*Break – 2:40 p.m. – 2:50 p.m.*

Discussion held about the enforceability of the proposed noise and curfew ordinance proposed by the Police Chief during the budget retreat.

Discussion was held about recessing this meeting to a date specific to address the ordinances.

The Council discussed the following accounts:

*(550) Planning & Zoning*

10-550-1400 Increased travel, meetings and schools

10-550-6000 Planting project of \$5,000 to beautify the City's right-of-ways and to enhance other city owned property

10-550-6500 Planning Technician position was not funded

Planning Pickup for the Planning Department is unfunded

Center City Revitalization Plan is unfunded

Tyler Park Plaza Plan is unfunded

Health Benefits – Manager Autry mentioned a \$40,000 reduction in healthcare cost to the City. Manager Autry was directed by Mayor Harris to bring back financial savings from the insurance, etc. to fund those items that are unfunded. Mr. Autry was directed to bring back a prioritization list of the unfunded items when the Council reconvenes their meeting.

*(560) Street Dept.*

10-560-7401 Capital Outlay (Cemetery) \$5500 allocated for a cemetery mower.

Manager Autry explained that if the Council continues the service of picking up limb and debris, they will be required to purchase a truck at a cost of \$100,000. He has contacted Republic Waste for a price quote of a second container for yard debris. Mr. Autry explained the current process used in picking up debris and household items.

*(572) Powell Bill*

Manager Autry explained that the City received a reduced amount of \$369,000 in Powell Bill funds. He spoke to some financial institutions; however, they will need to ask the Local Government Commission about their requirements in borrowing monies for street resurfacing.

Discussion was held about the time-line for downtown construction. Mr. Autry explained that monies for sidewalks, underground electrical, and lamp posts would not be factored into the downtown construction and would not be funded under the utility contract. Mr. Autry recommended a large re-surfacing project through-out the City. The streets were proposed at the budget retreat. Council Member Turnage stated that he rode with Public Works Director Addison to look at the list of streets proposed and he concurred that they need resurfacing.

Discussion about drainage issues for Juniper Creek. Mr. Autry explained that at the end of this year, they would have approximately \$350,000 in Powell Bill Fund Balance. The open ditch between Highway 421 and W. Divine Street needs gabions, W. Divine Street ditch needs major upgrades. Drainage issues also continue at Layton and Carr. Some upgrades were done when allowed by the railroad; however, they need to ask the railroad for permission to go back in and maintain this area of concern.

In concert with the Pedestrian Planning grant, City Planner Neuschafer asked for consideration by the Council to create a line item for sidewalks to allow for small upgrades each year.

Manager Autry explained that three organizations have requested funding: Downtown Dunn Development Corporation, Harnett County Arts Council and Friends of the Howard House.

The Council discussed the following accounts:

*(620) Recreation*

Unfunded requests - \$25,000 for storage area attached to rear of Dr. P.K. Vyas, MD Recreation Center  
\$70,000 for concession/restroom building at Tyler Park

Recreation Director Perry Hudson discussed the bathrooms at Tyler Park and upgrades projected.

10-620-3301 Maintenance only – does not include the pool – line item has always been listed as Park & Pool Supplies

*(622) Dunn Senior Enrichment Center*

10-622-7400 \$5,000 to upgrade the flooring

*(630) Library*

Friends of the Dunn Public Library contribute many programs and services to the Library without compensation. The Council discussed the possibility of extending the hours of operation. Librarian Williams stated that he spoke with Manager Autry about increasing salaries for the staff. With two part-time and two full-time employees, it would be difficult to expand the hours. Mr. Williams sent to the Council, a survey from Harnett County which addressed this issue. He would like to increase the hours on Saturday if he could offer more compensation to the employees. Mr. Williams would like to keep the library open until 5:00 p.m. on Saturday. They presently close at 1:00 p.m.

10-630-5800 (Part-time positions – Library) - \$6,915 requested for additional part-time positions

*(720) Water & Sewer General Operations*

30-720-3000 Postage increase to purchase a new unit for water billing. This would enable additional mailings to be included with the monthly water billing to get information to citizens.

30-720-7501 Contingency fund - \$218,937.93 balance. Mr. Autry projects that this fund will be utilized in future projects for the wastewater plant.



*(810) Water Services Operation*

30-810-7408 C.O.-Safety - \$7,500 for Trench Box

*(811) Filtering Plant*

30-811-1500 \$22,000 for re-roofing and air conditioning

30-811-1700 \$86,000 to rebuild the raw water pump, rework generators and switch gears, and other repairs

30-811-5800 \$1,380 for New position – part-time maintenance person one day a week to mow and trim around the plant during the summer

30-811-3201 \$16,000 to address EPA requirements

Discussion was held about the condition of the bridge from the Water Plant to the Raw Pumping Station.

Mr. Autry stated that a \$94,000 quote was given by one contractor to replace the wooden bridge and to upgrade. The bridge is not safely usable. It is currently blocked off by the City to try to prevent the public from using it. It is not accessible by a vehicle.

30-811-7400 \$70,555.00 for equipment replacement of existing valves, track vac air lines, and tube settlers

*(821) Wastewater Treatment Plant*

30-821-1500 \$37,500.00 - Maint. Of building - \$35,000 for roof replacement on three individual buildings.

30-821-1700 \$61,000.00 - Repair to an effluent pump and other equipment failure through-out the year

30-821-7400 \$85,200.00 - \$10,000 for replacement of sludge transfer pump, \$8,000 for replacement of sludge re-circulating pump, \$11,700 for digester blower and motor, \$50,000 for lift station central monitoring site

**DEBT SERVICE**

Manager Autry presented the General Fund Total Debt Service @ \$310,880.08 for FY 2008-2009.

Manager Autry presented the Water Fund Total Debt Service @ \$668,634.33 for FY 2008-2009.

4:58 p.m. - Motion by Council Member Joey Tart, seconded by Council Member Maness to recess this budget work session until a time and date specific for the Mayor to set a special call meeting date with a 48 hour notice by service to the Council Members to discuss a curfew, noise, rental housing ordinance, weeded lot procedures and cost, abandoned cars, debris containers, drop-off site for recycling, employee salary increases, resurfacing plan, downtown sidewalks, curbs and utilities, three drainage issues, summer employment, Hanna's pond discussion, and Council contributions to community services.

**Motion unanimously approved.**

5:00 p.m. - Motion by Council Member Billy Tart, seconded by Council Member Turnage to recess the meeting. **Motion unanimously approved.**

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Oscar N. Harris  
Mayor

Attest:

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Debra G. West  
City Clerk

