

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

The City Council of the City of Dunn continued the City Council Meeting of Tuesday, June 9, 2009, on Tuesday, June 23, 2009 at 7:00 p.m. in the Dunn Municipal Building. Present at the continued meeting 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, Finance Director Mark Stephens, Recreation Director Perry Hudson, Chief Building Inspector Mike Blackmon, Librarian Mike Williams, Police Lt. Herman Chavis, City Attorney P. Tilghman Pope, City Clerk Debra West, and Daily Record Reporter Reece Murphy.

**INVOCATION**

Mayor Harris reconvened the meeting at 7:00 p.m. and gave the invocation. Afterwards, the Pledge of Allegiance was repeated.

**AGENDA ADJUSTMENT AND APPROVAL**

Motion by Council Member Turnage and seconded by Council Member Maness to adopt the June 23, 2009 meeting agenda with changes, if any, as listed below.

*Items Added to the Agenda:*

- Fire Inspection Agreement

*Agenda Items Removed:*

- none

**Financial Report**

Finance Director Mark Stephens provided the following financial update to the Council:

- The City as of May 31, 2009 had \$2,728,958 in cash in the General Fund and \$1,824,861 in the Water/Sewer Fund.
- Investment earnings are in the 1.00% - 0.10% range.
- The June sales tax distribution was \$99,470. Currently we are at 79.00% of budget. The City should be at 83.33% collected.
- State Franchise revenue as of May 31<sup>st</sup> was \$421,106. Currently we are at 89.59% of budget. The City should be at 91.67% collected.
- Building Permit Fees are \$54,435 or 64.04% of budget. The City should be at 91.67% of budget.
- Water and sewer revenues were \$3,620,862 or 86.83% of budget. The City should be at 91.67% of revenue.
- Fuel cost per gallon was \$1.72 in May.
- Property taxes collected as of May 31<sup>st</sup> were 99.52% of budget. Same period last year, the City had collected 98.66% of budget.
- As of May 31, 2009, we were 87.61% spent in the general fund and 84.06% in water/sewer fund. This takes into account one-time expenditures that are paid in one amount (ie, debt payments, property, liability and workers comp. premiums). The City's benchmark for this time period should be 91.67% spent.

Mr. Stephens explained that all budget amendments for FY 08-09 have been completed and based on each department's efforts of cutting expenditures in the general fund, it is anticipated to put between \$50,000 and \$100,000 back in the fund balance.

**Adoption of  
Fiscal Year 2009-2010 Budget**

Manager Autry explained that on June 9, 2009, a tax rate of .46 per \$100 was proposed; however, a letter was received from the North Carolina League of Municipalities advising municipalities to expect less revenues from sales tax. Based on this factor, the state of the economy and other expenditures that could be

forthcoming, he presented the Council with the following adjustments to the proposed FY 09-10 budget and recommended that the tax rate remain at .48 per \$100 valuation.

*Revenues*

10-301-0000	Ad-valorem taxes (adjusted from prior recommendation of .46 to present .48)	\$3,057,000	\$3,190,000 +(\$133,000)
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10-345-0000	NC Sales Tax	\$409,000	\$400,000 -(\$9,000)
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10-345-0100	NC Sales Tax ½%	\$1,063,000	\$1,020,000 -(\$43,000)
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10-353-1000	Rental Housing Registration Fee recommended at \$20 per unit @ 900 units effective July 1, 2009	\$0.00	\$18,000 +(\$18,000)
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***Adjusted Revenues* *\$99,000 Increase***

*Expenditures*

10-420-5800	Reserve for Contingency	\$4,000	\$55,000 +(\$51,000)
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10-500-7401	Tower Lease/ Generator Maint. (new fee being charged to each entity with an antenna on this tower located on Dunn-Erwin Rd. @ 875.00/mth)	\$0.00	\$10,500 +(\$10,500)
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10-540-4501	Demolition (tipping fee increase by the County – 50% waiver of tipping fees for demolishing houses is no longer offered by the County)	\$2,500	\$30,000 +(\$27,500)
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10-540-7400	Capital Outlay (hvac/windows) (Inspections Bldg.)	\$15,000	\$25,000 +(\$10,000)
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***Adjusted Expenditures* *\$99,000 Increase***

Mayor Harris summarized the budget ordinance and pointed out the similarities of FY 08-09 budget to FY 09-10. He pointed out that they still do not know what the revaluations will yield. He added that investments are down. There is no COLA factored into the 09-10 budget and expressed a desire to provide an increase for the City employees.

Mayor Harris pointed out that ad-valorem taxes represent 41.8% of budget revenues, and the local option sales tax represents 16.8%.

Additional discussion was held about the possibility of the state withholding additional revenues, the desire to provide cost of living raises to the employees and the hard decision to keep the tax rate the same.

Motion by Council Member Joey Tart and seconded by Council Member Turnage to adopt the Fiscal Year 2009-2010 Budget as presented (to include the budget ordinance and fee schedule). **Motion unanimously approved.** *A copy of FY 09-10 budget ordinance (O2009-11) and fee schedule is incorporated into these minutes as Attachment #1.*

**Fire Inspection Agreement**  
**Dunn Emergency Services**

City Attorney stated that during the May budget work sessions, the Council was presented with a proposal from Dunn Emergency Services relative to their conducting fire inspections on behalf of the City of Dunn and Council consensus was to proceed with approval of the agreement.

City Attorney Pope explained that this agreement between the City of Dunn and Dunn Emergency Services (DES) will allow DES to perform fire inspections on behalf of the City of Dunn. This agreement will be for a term of five (5) years, beginning on July 1, 2009 and expiring on June 30, 2014, unless terminated by either party upon six (6) months written notice to the other party, without cause or justification.

The City shall pay DES the sum of \$55,000 per year, and adjusted on each one year anniversary of the agreement, based upon the annual cost of living adjustment that the City Council approves for its employees.

Council Member Turnage requested that a monthly fire inspection report be provided to the Council.

Motion by Council Member Maness and seconded by Council Member Billy Tart to approve the Fire Inspection agreement between the City of Dunn and Dunn Emergency Services. **Motion unanimously approved.** *A copy of the Fire Inspection Agreement between the City of Dunn and DES is incorporated into these minutes as Attachment #2.*

With no further business to discuss, a motion was made by Council Member Maness and seconded by Council Member Turnage to adjourn the meeting at 7:30 p.m. **Motion unanimously approved.**

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Oscar N. Harris  
Mayor

Attest:

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Debra G. West  
City Clerk