

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

The City Council of the City of Dunn held a Regular Meeting on Thursday, January 5, 2006, at 7:00 p.m. in the Dunn Municipal Building. Present was Mayor J. Dal Snipes, Mayor Pro-Tem Donnie Olds, Council Members Buddy Maness, Bryan Galbreath, Billy Tart, Billy R. Godwin, Jr. and Joey Tart. Also present was Assistant City Manager/Public Works Director Ronnie Autry, Human Resources/Safety Officer Moses Gallion, Finance Director Renee' Daughtry, Police Chief Tim Benware, Fire Chief Austin Tew, City Engineer Ed Powell, City Attorney P. Tilghman Pope, City Clerk Debra West, and Daily Record Reporter Lisa Farmer.

Assistant City Manager/Public Works Director Ronnie Autry presided in the absence of City Manager Uskiewicz (out of town).

INVOCATION

Mayor Snipes opened the meeting at 7:00 p.m. and asked Mayor Pro-tem Olds to give the invocation. Afterwards, the pledge of allegiance was repeated.

PRESENTATION

FINANCE DEPARTMENT

GFOA AWARD (GOVERNMENT FINANCE OFFICERS ASSOCIATION CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING)

Mayor Snipes presented a Certificate of Achievement for Excellence in Financial Reporting Award to Finance Director Renee' Daughtry on behalf of the Finance Department, in recognition of achieving the highest standard in government accounting and financial reporting, for the fiscal year ended June 30, 2004.

PUBLIC COMMENT PERIOD

Mayor Snipes opened the floor for a (30) minute public comment period.

Ms. Ina White of 409 N. Washington Avenue stepped forward. She thanked Mayor Pro-tem Olds, the City Manager, Police Chief and Fire Chief for addressing drug issues in her neighborhood. She stated that while the City is looking at revitalizing the downtown district, there is slum housing and slum lords renting houses to drug dealers only two (2) blocks from City Hall on Broad Street. These houses were condemned by the City, yet the owners of these properties are fixing these houses only to the minimum standards just to rent them out again. She pointed out that whenever tourist come into Dunn and travel down E. Broad Street, they will see these slum properties.

Ms. White complained about the negative impact that these properties are creating in her neighborhood. She stated that at one time twenty (20) people were living in one of these houses without power. She questioned why would the City allow this landlord to ruin her neighborhood and added that the City should do something about it.

Mayor Snipes reassured Ms. White that the City would look into this situation.

Ms. White stated that drug dealers and illegal immigrants will be put back into these houses once they pass inspection.

Don Wilkins of 1083 Bailey Road in Harnett County stepped forward and stated that he represents a group, TLMG, which bought this commercial property as an investment. He stated that they are cleaning these places up and the houses are being brought up to code. He pointed out that it was not his fault that twenty people were living in one of these houses without power. He has no control if a tenant does not pay their power bill. He stated that the newspaper was incorrect in reporting that twenty (20) people lived in one house, but added that ten (10) lived in one house and six (6) lived in the house next door. He added that the tenants were a little messy.

Mr. Wilkins stated that his group bought the properties located at 601 and 603 E. Broad Street as an investment and added that if the town wants to buy them, then that is fine. He added that they did not buy the properties for the rent, but as an investment property. He stated that the problem with the drug dealers is not the houses. The problem is in the area of Washington and Vance Streets. It is not his fault if drug dealers hang out at these houses.

Mr. Wilkins stated that the houses are for sale and if the town wants to buy them, that is fine. He is not going to be pushed. He stated that the houses are being brought up to the minimum housing code.

With no further comments, the public comment period was closed.

CONSENT ITEMS

Mayor Snipes asked if there were any consent items that Council wished to pull for further discussion. Hearing none, the following items were considered by Council:

Minutes-Council considered approval of minutes of the December 1, 2005 Council meeting.

Minutes-Council considered approval of minutes of the December 14, 2005 Special Call Meeting.

Tax Releases/Refunds-Council considered approval of Tax Releases/Refunds #84 - #85. *Tax Releases/Refunds are filed in the office of the Tax Collector.*

Permit to Continue Business under Original License at New Location- Council considered approval of a Privilege License Permit to continue a business (Sonage Salon & Day Spa-Angela Sills) from 1119 W. Broad Street to 226 E. Broad Street based upon approval of the new location by the Fire Department and Building Inspections Department. *Privilege License Permits to continue business under original license at a new location are filed in the office of the Tax Collector.*

Budget Amendments-Council considered approval of Budget Amendments #13 - #21. *A copy of Budget Amendments #13 - #21 is incorporated into these minutes as Attachment #1.*

Annual Certification of Firemen-Council considered approval of the 2005 Annual Certification of Firemen. *A copy of this certification is incorporated into these minutes as Attachment #2.*

Acceptance of Machine and Welding Company Property-Council considered approval of formally accepting the donation of the Machine and Welding Company property located in the 100th block of E. Edgerton Street at Railroad.

Motion by Council Member Godwin, seconded by Council Member Joey Tart to approve all consent items. **Motion unanimously approved.**

ITEMS FOR DECISION

AUDIT REPORT PETWAY, MILLS & PEARSON, PA

Phyllis Pearson of Petway, Mills & Pearson, PA gave a summary of the FY 2004-2005 audit for the City of Dunn.

Ms. Pearson stated that the independent auditors report is an unqualified opinion, which means that they found the financial statements as presented to her firm to be fairly stated and in conformity with generally accepted accounting principles. They were given very correct information from the finance staff.

Ms. Pearson stated that there were only two (2) instances where the budget was exceeded, and they were by immaterial amounts. That is a compliment to the Council for monitoring the budget that heavily.

Ms. Pearson stated that GASB34 requires management to explain the financial statements. It is a highlight version of the financial statements. The assets of the City exceeded its liability at the close of the fiscal

year by \$21,000. The financial statement is in good financial condition. The government's total net assets decreased by \$199,000 due to situations where fund balance was appropriated. When this is done, that means that you are spending down your net assets. At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of 3 million, an increase of about \$127,000.

Ms. Pearson stated that at the end of year, the unreserved fund balances for the General Fund was 1.8 million dollars. Those are the dollars available for appropriation for other purposes. Debt increased by 1.3 million largely because of decisions to do some installment purchases, equipment financing, erecting the new Recreation Facility as well as the expansion of Highway 421.

Ms. Pearson stated that she would like to communicate some things talked about during the audit process. One is a reminder that it is the Council's responsibility under new accounting standards and regulations, to reduce, eliminate and control opportunities for fraud. The Council is responsible for monitoring internal controls and whether or not they are working on an ongoing basis. This is a significant change from prior years, due to fraud standards.

Ms. Pearson suggested that the City create an audit committee to control internal controls and fraud. An audit committee takes control of the audit process and reviews/makes recommendations and acts as an avenue for employees to report any instances of fraud.

Ms. Pearson stated that the City currently has 15-20 grants with 15-20 different regulations. She highly advised that if the City continues in this volume of grant activity, that they hire a grants manager. There is a significant liability with federal grants. It is not the responsibility of a Finance Department to monitor grants.

Ms. Pearson stated that it is crucial that the City maintain consistent revenue streams to avoid future difficulties. An example of this is the fuel increases. She advised that the City monitor rate increases closely to make sure that the budget is staying in balance.

Ms. Pearson stated that the City is well funded and in good financial condition. She added that is why the City needs to monitor their budget in watching external factors that might change the budget. Don't get behind in the process so that the City can maintain their current financial condition.

Ms. Pearson advised that the City is carrying quite a bit of debt; having taken out 1.3 million dollars in the current year to meet obligations. She cautioned that if they do not meet or adjust the budget on a monthly basis, there could be difficulty in meeting the debt payments. She stressed that they must manage the budget on a year to year basis with regard to installment loans from this point forward, giving an example of being faced with a period of inflation by rising fuel prices.

Ms. Pearson advised that the City maintain their fund balance and to avoid dipping into the fund balance to pay for operations.

Mayor Snipes asked Ms. Pearson if she thought 15 plus grants was too many for a City the size of Dunn. Ms. Pearson responded that the City is to be commended for their approach in going after this many grants. It shows that the City has people with a lot of motivation to take the tedious steps in obtaining grants. She stated that it is not typical to see this much grant activity with a town the size of Dunn and again, she advised that they should consider a different approach to monitor compliance with the terms. She attributed some of the problems that larger cities in the area are encountering is a direct result of not having a grants manager.

Motion by Council Member Billy Tart, seconded by Council Member Joey Tart to accept the audit report as presented. **Motion unanimously approved.**

ADOPTION OF 2030 LAND USE PLAN

The City Council held a Special Call Meeting on December 14, 2005 to discuss in length, the proposed 2030 Land Use Plan.

The Council is being asked to adopt the proposed document as prepared by Jason Epley, Senior Planner with the N.C. Department of Commerce – Division of Community Assistance. The only changes made to this document were typographical corrections and changes recommended in Section Six – Pages 89 and 90 by the Planning Board.

Motion by Council Member Joey Tart, seconded by Council Member Maness to adopt the 2030 Land Use Plan.

Mayor Snipes asked if there was further discussion.

Council Member Godwin stated that he is in favor of adopting the Land Use Plan with the understanding that it is a flexible document. Council Member Maness agreed with Mr. Godwin that this plan is a guideline that may be modified as the need arises.

Motion unanimously approved. *(A copy of the 2030 Land Use Plan is filed in the Administration office).*

**CERTIFICATE OF SUFFICIENCY
BRUCE DRIVE CURB & GUTTER
PETITION**

The City of Dunn has received a petition from a majority of the property owners of Bruce Drive requesting the installation of curb and gutter along this street. The signed petition also represents a majority in number of lineal feet of frontage abutting upon Bruce Drive.

Once a petition is received and examined to determine that it is represented by a majority of the property owners, then the City Clerk submits the petition to the governing body, accompanied by a “Certificate as to Sufficiency of Petition for Improvement.”

Once the City Council approves the Certificate of Sufficiency, then a Preliminary Assessment Resolution will be presented to the Council.

Motion by Mayor Pro-Tem Olds, seconded by Council Member Joey Tart to approve the Certificate of Sufficiency for Bruce Drive Curb and Gutter petition. **Motion unanimously approved.** *A copy of the Certificate of Sufficiency of Petition for Bruce Drive Curb and Gutter is incorporated into these minutes as Attachment #3.*

**PRELIMINARY ASSESSMENT
RESOLUTION-BRUCE DRIVE CURB & GUTTER**

To proceed with this project, the governing body shall adopt a Preliminary Assessment Resolution and set a date for a public hearing to hear all matters covered by this resolution. A copy of the resolution shall be mailed to all owners of property subject to the assessment.

Motion by Council Member Galbreath, seconded by Council Member Joey Tart to adopt the Preliminary Assessment Resolution for Bruce Drive Curb & Gutter and set a public hearing date for February 2, 2006 at 7:00 p.m. in the City of Dunn Municipal Building to hear all matters covered by this resolution. **Motion unanimously approved.** *A copy of the Preliminary Assessment Resolution (R2006-01) for the installation of curb and gutter on Bruce Drive is incorporated into these minutes as Attachment #4.*

**ITEMS FOR DISCUSSION AND/OR
DECISION**

BUDGET RETREAT

Tentative Plans are to conduct the FY 2006-2007 Budget Retreat on one of the following weekends:

February 11-12, 2006

February 18-19, 2006

February 24-25, 2006

Due to conflicts with the above proposed dates, Mayor Snipes will bring back other dates for consideration.

**FISHERMAN'S PARADISE BUILDING
223 E. BROAD STREET**

The City of Dunn recently purchased the Fisherman's Paradise property at 223 E. Broad Street. The Council is being asked to consider the future use of the building located on this property.

Mayor Snipes entertained a motion to table this agenda item until the Budget Retreat.

Motion by Council Member Galbreath, seconded by Mayor Pro-Tem Olds to table this agenda item until the Budget Retreat. **Motion unanimously approved.**

ADMINISTRATIVE REPORTS

Motion by Mayor Pro-Tem Olds, seconded by Council Member Maness to approve the Administrative Reports. **Motion unanimously approved.**

EXECUTIVE REPORTS

Council Member Maness wished everyone a prosperous and blessed New Year and stated that he looked forward to a successful 2006.

Mayor Pro-Tem Olds encouraged the citizens of District 2 to attend the Council meetings and ward meetings in 2006. He asked the citizens to feel free to contact their elected official should they have a problem. Problems cannot be resolved if the Council does not know they exist.

Council Member Galbreath thanked Ms. White for coming forward tonight with her concerns. He concurred that there is a problem on E. Broad Street near City Hall. He has spoken with the City Manager and the Inspections Department about these houses and agreed with Ms. Smith that this issue does need to be addressed. He has talked with the owner, Mr. Wilkins about these houses and he has been in several of these houses. He stated that these houses are not up to code. He asked that the Inspections Department go back to reinspect these houses again.

Council Member Galbreath thanked those businesses and individuals that donated to the PAL project in order to repaint and re-letter the PAL bus. He encouraged everyone to go by the PAL center to see this bus. He encouraged the public to attend the Dr. Martin Luther King, Jr. parade scheduled to be held in downtown Dunn on January 16th at 10:00 a.m.

Council Member Galbreath asked Assistant City Manager Autry about the status of the paving project in the 700 – 900 block of E. Pearsall Street. It was stated at the November meeting, that this paving project would be accomplished before the Christmas holidays. Mr. Autry responded that the paving contractor, Barnhill Constructors of Fayetteville, stated that their plant has shut down and they will not be able to start the project until the end of January or the first part of February.

Council Member Joey Tart wished everyone a happy and prosperous New Year. He stated that if any of his constituents had questions or any problems that they need help with, please give him a call.

Council Member Godwin encouraged additional participation by members of the community. He stated that the comments received tonight have been well taken.

Council Member Billy Tart thanked the members of the newly formed Civic Center Committee for their dedication to serve the City. He stated that this committee is already working hard and he appreciates their efforts.

City Attorney Pope invited the Mayor, Council and City staff to the Dunn Area Chamber of Commerce's Annual Banquet on January 19th at 6:00 p.m.

Mayor Snipes thanked Assistant City Manager Ronnie Autry for filling in at tonight's meeting in the absence of the City Manager.

Mayor Snipes reminded the City Council of the NC Main Street Conference scheduled for January 25-27, 2006 in Salisbury and the North Carolina League of Municipalities Regional Meetings and encouraged them to attend.

Mayor Snipes thanked all of the Department heads for their hard work. He recognized the work of the Public Works Department during the Cotton Festival and thanked Ronnie Autry and his Department as well as the Police Department and Fire Department for all they do for the City of Dunn.

7:45 – Motion by Council Member Godwin, seconded by Council Member Joey Tart to enter closed session pursuant to the NC Open Meetings Law to discuss a matter with the City Attorney concerning a pending lawsuit. **Motion unanimously approved.**

Closed Session

Motion by Council Member Godwin, seconded by Council Member Joey Tart to approved the closed session minutes as prepared by City Attorney Pope. **Motion unanimously approved.**

With no further business to discuss, the meeting was adjourned at 8:19 p.m.

J. Dal Snipes
Mayor

Attest:

Debra G. West
City Clerk