

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

The City Council of the City of Dunn held a Regular Meeting on Tuesday, January 13, 2009, at 7:30 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, Finance Director Mark Stephens, Public Works Director Billy Addison, Public Utilities Director Dean Gaster, Recreation Director Perry Hudson, Chief Building Inspector Mike Blackmon, Librarian Mike Williams, Police Chief B.P. Jones, Police Captain Jimmy Pope, City Engineer Ed Powell, City Attorney P. Tilghman Pope, City Clerk Debra West, and Daily Record Reporter Reece Murphy.

INVOCATION

Mayor Harris opened the meeting at 7:30 p.m. and asked Police Chaplain Reverend Roy Johnson to give 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 January 13, 2009 meeting agenda with changes, if any, as listed below.

Items Added to the Agenda:

- Resolution of Intent to Permanently Close a Public Alley between N. Orange Ave. and N. Ellis Ave. running from W. Barrington St. on the north to W. Granville St. on the south

Agenda Items Removed:

- none

Motion unanimously approved.

PRESENTATIONS

RETIREMENT RESOLUTION

DIANE SMITH

Mayor Harris, Police Chief Jones and Manager Autry presented Diane Smith with a retirement resolution in recognition and appreciation of her 30 years of service to the City of Dunn Police Department. *A copy of Resolution (R2009-01) recognizing Diane Smith is incorporated into these minutes as Attachment #1.*

PUBLIC COMMENT PERIOD

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

Hearing no comments, the public comment period was closed.

CONSENT ITEMS

Minutes-Council considered approval of minutes of the December 9, 2008 Council meeting.

Tax Releases/Refunds – Council considered approval of Tax Releases/Refunds #145 - #147. *Copies of Tax Releases/Refunds are filed in the office of the Tax Collector.*

Banking Services – Council considered approval of awarding the City of Dunn banking services to First Citizens Bank. (This agreement will begin March, 1, 2009 for a period of three years with the City retaining an option to renew the contract for an additional two years).

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

ITEMS FOR DECISION

RESOLUTION AUTHORIZING AGREEMENT WITH GOVDEALS FOR INTERNET AUCTION OF GOVERNMENT SURPLUS ITEMS

Finance Director Stephens explained that the Council is being asked to consider a resolution authorizing an agreement with GovDeals, an on-line auction service developed and designed to assist municipal and county governments in the sale of surplus property.

Mr. Stephens explained that should the Council authorize this agreement, the City of Dunn pays only when an item is sold as a result of posting it to the GovDeals website. The fee for any single auction item yielding not greater than \$100,000 in a winning bid is 7.5% of the winning bid, but not less than \$5.00. He added that this program is supported by the North Carolina League of Municipalities.

Mr. Stephens summarized to the Council, the benefits of using GovDeals. The process of declaring property surplus will still come before the Council and will be advertised in the local newspaper. There is maximum potential income from sales because of the expanded audience of buyers. Once an item is posted on the GovDeals website, the auction period normally lasts from two weeks to ten days. The City reserves the right to refuse an offer.

Attorney Pope explained that the term of the agreement is for twelve months; however, either party can terminate it with sixty days written notice so if they are unsatisfied, the City can terminate the agreement. He added that the agreement automatically renews every twelve months unless it is terminated.

Finance Director Stephens explained that the City can continue to use other methods to surplus property in addition to GovDeals.

Motion by Council Member Billy Tart and seconded by Council Member Maness to approve the resolution authorizing an Agreement with GovDeals Auction Service for the disposition of City property in accordance with NC General Statutes. **Motion unanimously approved.** *A copy of Resolution (R2009-02) granting authority to the City Manager to enter into the Seller's Agreement with GovDeals along with the Seller's Agreement, is incorporated into these minutes as Attachment #2.*

CONSIDERATION TO RENEW MEMORANDUM OF AGREEMENT WITH NC DEPARTMENT OF TRANSPORTATION- DEBRIS REMOVAL

Manager Autry explained that this new Memorandum of Agreement (MOA) will continue to allow the City of Dunn to remove debris from the right of way of public state system roads during a State of Disaster or Imminent Threat of Disaster and/or a State of Emergency.

This agreement does include a provision to opt out at any time except during a period of release.

The current MOA was adopted on January 3, 2008 and expired December 31, 2008; however, the new MOA will not require future annual renewals.

He further explained that with FEMA regulations and the reimbursement process of monies, this agreement must be adopted through the Department of Transportation to allow the City to work on state maintained roads during disasters and to be reimbursed through FEMA. If this is not adopted, the city would not receive any reimbursements should they be required to work on state maintained roads.

Motion by Mayor Pro Tem Robinson and seconded by Council Member Joey Tart to adopt the Memorandum of Agreement between the North Carolina Department of Transportation and the City of Dunn for the emergency removal of debris during a State of Disaster. **Motion unanimously approved.** A

copy of this Memorandum of Agreement between NCDOT and the City of Dunn is incorporated into these minutes as Attachment #3.

AUTHORIZING RESOLUTION TO FILE AN APPLICATION WITH THE NORTH CAROLINA RURAL CENTER FOR A \$500,000 SUPPLEMENTAL GRANT – GRAVITY SEWER REHABILITATIONS

The Council is being asked to give authorization to apply for a second \$500,000 supplemental grant from the Rural Center. The project for this grant is described as gravity sewer rehabilitations. Work projected to be completed with this grant relates to the rehabilitation of some of the northern outfall lines, miscellaneous sewer systems and downtown redevelopment.

The grant application must be submitted in January, 2009 with notice of award in June, 2009.

City Engineer Ed Powell stated that over the past two years, they have been working on an expanding wastewater treatment and upgrade program. Initially, a \$2.9 million dollar Clean Water Management Trust Fund Grant was secured for flow equalization at the Blackriver Wastewater Treatment Plant and upgrading of the pumping system from the eastside wastewater pumping station. In order to assist in that project, they filed for a supplemental grant from the Rural Center in an amount of \$500,000 which was received. The project expanded and in keeping with their Special Order by Consent (SOC) agreement, they included some rehabilitation of some other deteriorated sewer lines within the collection sewer system anticipating that they would fund them with a loan from the State Revolving Loan Program. In efforts to keep the City secure in the greatest financing possible, they are applying for another supplemental grant from the Rural Center in an amount of \$500,000 to aid in financing of the \$1.4 million dollar project.

Motion by Council Member Joey Tart and seconded by Council Member Turnage to approve an Authorizing Resolution to file an application for a Rural Center Supplemental Grant in an amount of \$500,000 for Gravity Sewer Rehabilitations. **Motion unanimously approved.** *A copy of Authorizing Resolution (R2009-03) to file an application with the North Carolina Rural Center for a \$500,000.00 Supplemental Grant is incorporated into these minutes as Attachment #4 .*

AUTHORIZATION TO ACCEPT RURAL CENTER PLANNING GRANT FOR EASTSIDE SEWER SYSTEM EVALUATION STUDY AND ACCEPT ENGINEERING SERVICES PROPOSAL FROM DAVIS-MARTIN-POWELL & ASSOCIATES

Manager Autry explained that the Council is being asked to formally accept this \$40,000 Planning Grant from The Rural Center. With a required City match of \$35,000, the total project cost is \$75,000. This grant will continue the study of identifying inflow/infiltration sources and develop a rehabilitation plan for the Eastside Sewer System which has been the subject of many problems over the years. Also, by having an evaluation study in place, the City of Dunn will be in a position to secure future grant funding from The Rural Center.

The Council is also being asked to accept the Engineering Services Proposal from Davis-Martin-Powell & Associates, Inc. in the amount of \$75,000.00 to identify the components of the system which shall be considered for future rehabilitations:

- Task 1 – Open, inspect and record conditions of each of the 700± manholes located within the Eastside drainage basin - \$30,000
- Task 2 – Smoke test the sewer lines throughout the Eastside drainage basin - \$30,000
- Task 3 – Identify sources of highest inflow/infiltration potential and develop cost projections for future sewer rehabilitations - \$15,000

The City is currently under Special Order by Consent (SOC) due to its history of excessive overflows. An authorizing resolution to apply for this Planning Grant was approved at the July 8, 2008 City Council meeting.

The \$35,000 matching portion of the project will come from the existing budget.

Motion by Council Member Turnage and seconded by Council Member Maness to accept The Rural Center Planning Grant for the Eastside Sewer System Evaluation Study in an amount of \$40,000 + City match of \$35,000= \$75,000 total project cost, accept the Engineering Services Proposal from Davis-Martin-Powell & Associates, Inc. in an amount of \$75,000, and approve Budget Amendment #15. **Motion unanimously approved.** *A copy of the Engineering Services Proposal and Budget Amendment #15 are incorporated into these minutes as Attachment #5.*

AUTHORIZING RESOLUTION TO FILE AN APPLICATION FOR A PARKS AND RECREATION TRUST FUND GRANT

The Council is being asked to approve a resolution authorizing the Mayor to execute and file an application on behalf of the City of Dunn with the State of North Carolina for a Parks and Recreation Trust Fund (PARTF) Grant in the amount of \$500,000 for a total project cost of approximately \$1.3 million to upgrade the facilities and recreation programs at Tyler Park. The City of Dunn would be required to provide the remaining funds of \$842,000 required for the project.

City Engineer Powell stated that starting in 1989, the City of Dunn has been a recipient of funding through the PARTF. A plan has been developed for Tyler Park that would add two additional ball fields, additional recreational opportunities in the form of a low impact skateboard, splash pad, shuffleboard, and a monument yard for the removed Armory/Civic Center.

Mr. Powell stated that the grant would be applied for in February with notification of award in the Spring of 2009, at which point they will determine how to proceed with it.

Mr. Powell stated that a new concession, officials area and bathroom facilities will be included with this project.

Mayor Harris explained that if the City applies for this grant, it does not mean they must accept it. They are positioning themselves to apply for this grant since the window of opportunity is small.

Mr. Powell explained that should the City be awarded this grant, they can make the commitment of providing the matching funds at the time of acceptance. If accepted, the City will have three years to complete the project.

Council Member Turnage suggested they take this issue to the Council retreat so that they will have a plan in place before notice of this grant.

Mayor Harris pointed out that by having this project in place, the City of Dunn will be in a position to receive infrastructure monies via a stimulus package currently being considered by the government for local municipality projects.

Mr. Powell stated that their attempt is to get all of the City's projects ready in the event that stimulus money becomes available.

Motion by Council Member Maness and seconded by Mayor Pro Tem Robinson to approve the Resolution authorizing the City of Dunn to file an application for a Parks and Recreation Trust Fund Grant. **Motion unanimously approved.** *A copy of Authorizing Resolution (R2009-04) to file an application with the State of North Carolina for a PARTF Grant is incorporated into these minutes as Attachment #6.*

SET BUDGET RETREAT DATE FY 09-10

The Budget Retreat for Fiscal Year 2009-2010 will be held on Friday, February 6, 2009 at the North Carolina Assemblies of God Center in Selma, NC. This Budget Retreat will prioritize goals of the City and how to accomplish them for FY 09-10.

Mayor Harris asked the Council to leave Saturday, February 7, 2009 open in the event they cannot finish business on Friday, February 6, 2009.

Motion by Council Member Joey Tart and seconded by Council Member Billy Tart to set the Budget Retreat date as February 6, 2009 to convene at 8:30 a.m. until at the location stated above. **Motion unanimously approved.**

ITEMS FOR DISCUSSION
AND/OR DECISION

FINANCIAL REPORT

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

- As of November 30, 2008, the City had \$2,126,787 in cash in the General Fund and \$2,250,862 in the Water and Sewer Fund.
- Investment earnings are in the 2.5% - 0.5% range. Currently \$30,000 to \$40,000 short in investment funds as projected in the budget due to the low interest rates. Could not anticipate rates falling to the range they have.
- The November sales tax distribution was \$114,357. Currently we are at 25.17% of budget. The City should be at 25% collected. (would like to see this number higher) State-wide sales revenue is down from the same period last year.
- Water and sewer revenues were \$1,894,516 or 42.95% of budget. The City should be at 41.67% collected.
- As of November 30, 2008, we were 41.67% spent in the General Fund and 37.92% in Water/Sewer. This takes into account one time expenditures that are paid in one amount (ie, debt payments, property, liability and workers comp. premiums). The City should be at 41.67% spent.
- The property tax collection thru January 5, 2009 was 80.79% collected. The same time last year the City had collected 76.66%.

Mayor Harris added that investment income is down. Capital projects have been put on hold and the City Manager has asked the department heads to look for 3% – 5% reduction in expenses in their respective department. He added that this financial report will keep the Council well informed. Revenues were budgeted conservatively in the FY 08-09 budget.

Manager Autry stated that the mid-year financial report will be presented at the Council Retreat.

RESOLUTION OF INTENT-ALLEY CLOSURE
BETWEEN N. ORANGE AVE. AND N. ELLIS AVE.
RUNNING FROM W. BARRINGTON ST. ON
THE NORTH TO W. GRANVILLE ST. ON THE SOUTH

The adjoining property owners have requested that the alley between N. Orange Ave. and N. Ellis Ave. running from W. Barrington St. on the north to W. Granville St. on the south be closed permanently. If the Resolution of Intent is approved tonight, then the public hearing will be held at the February meeting.

The property owners originally submitted a petition for this alley closure in November, 2008. At the December 9, 2008 Council meeting, a formal request was submitted on behalf of the property owners by Attorney Billy R. Godwin, Jr. to withdraw the petition. Due to previously unknown circumstances, on January 12, 2009, Mr. Godwin submitted a second formal request to resubmit the petition to close this alley.

Motion by Council Member Maness and seconded by Council Member Turnage to adopt the Resolution of Intent and call for a public hearing to be held at the February 10, 2009 City Council meeting for the purpose of permanently closing this alley. **Motion unanimously approved.** *A copy of Resolution of Intent (R2009-05) to permanently close the alley as described is incorporated into these minutes as Attachment #7.*

ADMINISTRATIVE REPORTS

Motion by Mayor Pro Tem Robinson and seconded by Council Member Billy Tart to accept the Administrative Reports. **Motion unanimously approved.**

EXECUTIVE REPORTS

Council Member Turnage thanked Utilities Director Dean Gaster for the tour of the Wastewater and Water Treatment Plants, and for providing him with a better understanding of infiltration and inflow issues. He congratulated local resident Linda Hayes in her recent appointment to Governor Purdue's cabinet.

Council Member Galbreath announced that the 11th Annual Martin Luther King Breakfast, sponsored by the Harnett County NAACP, will be held on Saturday, January 17, 2009 at 8:00 a.m. in the Dunn Community Building. Tickets are \$10/adults and \$5/children. Also the Harnett County Martin Luther King Commemoration Committee will be sponsoring the annual Martin Luther King Parade on Monday January 19, 2009 in downtown Dunn beginning at 11:00 a.m.

Council Member Galbreath asked that the City Manager and Public Works Department check the 300th block of E. Bay Street for needed fill-ins.

Attorney Pope reported that for several months, the Council has been working on acquiring the old Harnett High School property and approved the Memorandum of Understanding with Harnett County several months ago which the County subsequently adopted. This property was transferred to the City of Dunn on January 8, 2009. The entire campus is now the property of the City of Dunn.

Mayor Harris reported that the Dunn Area Chamber of Commerce will hold their annual banquet on Thursday, January 15, 2009 and encouraged the Council to attend. He will also issue a Proclamation in honor of the NAACP's 100th Anniversary during the annual Martin Luther King Breakfast.

With no further business to discuss, a motion was made by Council Member Billy Tart and seconded by Council Member Turnage to adjourn the meeting at 8:20 p.m. **Motion unanimously approved.**

Oscar N. Harris
Mayor

Attest:

Debra G. West
City Clerk