

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

The City Council of the City of Dunn held a Regular Meeting on Tuesday, May 12, 2009, at 7:00 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, Recreation Director Perry Hudson, Planning Director Steven Neuschafer, Librarian Mike Williams, Police Chief B.P. Jones, 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 7:00 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 Mayor Pro Tem Robinson and seconded by Council Member Galbreath to adopt the May 12, 2009 meeting agenda with changes, if any, as listed below.

Items Added to the Agenda:

- none

Agenda Items Removed:

- none

Motion unanimously approved.

PUBLIC COMMENT PERIOD

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

Hearing no comments, the public comment period was closed.

PUBLIC HEARINGS

Street Closure

Portion of White Line Road

Mayor Harris stated that the public has been notified that oral and written comments will be heard and received concerning the request to permanently close the public street consisting of approximately 145 feet located at the northern most end of White Line Road (SR 1814) and adjacent to PIN #1516-93-7187.000, containing approximately 0.21 acre.

The public hearing was duly advertised on April 20, 27, and May 4, 11, 2009.

Mayor Harris asked if there was anyone present to speak for or against this street closure.

Mr. Nick Demai, of Florida and Kitty Hawk, NC, stated that his family owns 30 acres of farm land which fronts White Line Road and is bounded by I-95. It appears that this portion of White Line Road is already closed. The permanent closure of this road would make access to the frontal state access road of this property unavailable.

Hearing no further comments, Mayor Harris closed the public hearing.

Rezoning Request PZ-01-09
B & J Properties of Dunn, LLC
PIN #1516-29-0526.000
205 S. Eleanor Avenue

Mayor Harris stated that the public has been notified that oral and written comments will be heard and received concerning the request by B & J Properties of Dunn, LLC to rezone a parcel of land, totaling 0.20± acres, located at 205 S. Eleanor Avenue.

This property is currently zoned R-10; Single Family Dwelling District and is requested to be rezoned to C-3; Highway Commercial District.

The public hearing was duly advertised on April 21, 2009 and April 28, 2009.

Mayor Harris asked if there was anyone present to speak for or against this rezoning request.

**Clerks Note: Council Member Joey Tart asked that the Council recuse him from any deliberation or vote of this issue due to his own financial interest in this property. Council consensus was to recuse Mr. Tart.*

Hearing no comments from the public, Mayor Harris closed public hearings at 7:09 p.m.

CONSENT ITEMS

Minutes - Council considered approval of minutes of the April 14, 2009 Council meeting.

Assessment Release – Council considered approval of Assessment Release #01. *Copies of Assessment Releases are filed in the office of the Tax Collector.*

Surplus Resolution – Council considered approval of a Resolution Authorizing the Disposition of Personal Property by electronic means through www.GovDeals.com. *A copy of Surplus Resolution (R2009-19) is incorporated into these minutes as Attachment #1.*

Destruction of Records – Council considered approval of destruction of records submitted by the Administration and Finance Departments which have exceeded the required retention time pursuant to the Municipal Disposition Schedule. *A list of those records that have exceeded the required retention schedule and approved for destruction is incorporated into these minutes as Attachment #2.*

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

ITEMS FOR DECISION

**Consideration of Resolution and Order
to Permanently Close a Portion of
White Line Road**

The Resolution of Intent to close a portion of White Line Road was adopted by the City Council on April 14, 2009 and the public hearing was held tonight.

Mayor Harris yielded to City Attorney Pope to explain this closure.

Attorney Pope stated that he and Manager Autry have been working with the property owners on this matter for some time. In response to Mr. Demai's concerns voiced during the public hearing, Mr. Pope stated that Mr. Demai is correct that a portion of this road was already closed to the point of which it previously had access; however, it was done by the North Carolina Department of Transportation and not by the City of Dunn and it was closed in conjunction with the re-working of the I-95 exit ramp. This road already dead-ends and this petition for street closing does not affect what has already been done by the State.

Attorney Pope explained that this request by the adjoining property owners is based on the fact that the same group owns each side of this dead ended road and if it were abandoned, then it would revert to the center line of the adjacent property owners so it would provide for a larger developable lot. In connection with that, the City of Dunn has utilities underneath that portion of the road and the property owners have previously granted a utility easement for the whole width so the City's utilities would not be impaired. If the Council proceeds with the closure of this street or denies the closure, it will not improve the access that is currently there or not there, because that determination has already been made by the NC Department of Transportation.

Mayor Pro Tem Robinson stated that for clarity, it appears that Mr. Demai has access to his property.

Attorney Pope stated that the Demai property still has access to White Line Road and to the Access Road even if the Council closed this portion of White Line Road.

Motion by Mayor Pro Tem Robinson and seconded by Council Member Turnage to adopt the Resolution and Order to close the public street at the northern most end of White Line Road (SR 1814) that of which is adjacent to PIN 1516-93-7187.000, for a distance of approximately 145 feet containing approximately 0.21 acre. **Motion unanimously approved.** *A copy of Resolution and Order (R2009-20) permanently closing a portion of White Line Road is incorporated into these minutes as Attachment #3.*

Rezoning Request PZ-01-09
B & J Properties of Dunn, LLC
PIN #1516-29-0526.000
205 S. Eleanor Avenue

**Clerks Note: Due to a financial conflict of interest, Council Member Joey Tart recused himself from deliberation and vote of this issue. Council consensus was to recuse Mr. Tart.*

This is a request from B & J Properties of Dunn, LLC to rezone a parcel of land at 205 S. Eleanor Avenue, totaling 0.20± acres.

This property is currently zoned R-10; Single Family Dwelling District and is requested to be rezoned to C-3; Highway Commercial District.

The Planning Board met on April 28, 2009 and recommended approval of this request.

Motion by Council Member Galbreath and seconded by Council Member Billy Tart to approve the request from B & J Properties of Dunn, LLC to rezone a parcel of land (PIN #1516-29-0526.000) totaling 0.20± acres and located at 205 S. Eleanor Avenue from R-10; Single Family Dwelling District to C-3; Highway Commercial District based on the following justification:

1. Commercial uses are consistent with the 2030 Land Use Plan for this area.
2. The amendment is not inconsistent with the surrounding land uses which are both (historically mixed commercial and residential) in this area. Moreover, the evolving pattern of commercial uses in this area warrant this change.
3. The permitted uses in the C-3 District are not considered detrimental to the area and would be beneficial to the entire community.

Motion unanimously approved. *(Council Member Joey Tart recused himself from deliberation and vote of this issue due to a financial conflict of interest).*

Audit Contract
F/Y 2008-2009

Petway, Mills & Pearson, PA submitted a proposal of \$18,900.00 to perform the F/Y 2008-2009 audit for the City of Dunn.

Finance Director Mark Stephens gave a report of the previous audit costs over the last four years.

Previous Audit Costs

2008 - \$18,000.00

2007 - \$31,300.00

2006 - \$20,300.00

2005 - \$19,600.00

Petway, Mills & Pearson, PA has been performing the City's audit since 2005.

Motion by Mayor Pro Tem Robinson and seconded by Council Member Maness to contract services with Petway, Mills & Pearson, PA to conduct the F/Y 2008-2009 audit for the City of Dunn at a proposed cost of \$18,900.00. **Motion unanimously approved.** *A copy of FY 08-09 audit contract is incorporated into these minutes as Attachment #4.*

**Consideration of Resolution to File an
Application with the State of North Carolina
For a State Revolving Fund Loan to Construct
Wastewater Treatment Works**

The Council is being asked to adopt a Resolution to authorize the Mayor to file an application with the State of North Carolina to finance the cost of construction of wastewater treatment works. A similar resolution was adopted during the March 10, 2009 Council meeting to qualify the City of Dunn for stimulus funding. The City of Dunn intends to request a low-interest State Revolving Fund (SRF) Loan.

City Engineer Ed Powell stated that the Council recently passed two resolutions regarding stimulus and SRF loan funding. The first phase of the stimulus funding was awarded in May and the second phase is in June. The City of Dunn did not receive funding in the first round awarded in May. As a result, DEHNR recommended that the City of Dunn subdivide their project into two projects. Stimulus money is being limited to \$3 million dollars per project. In negotiation with DEHNR, the City of Dunn decided to pull the pump station force mains and gravity sewers out and put those in a stimulus project which is about a \$3.35 million dollar project and left the rest of the wastewater treatment plant in another project that would be State Revolving Loan Funds. The City has \$3 million dollars in a CWMTF Grant, \$500,000 in a Rural Center Grant which means that the City would borrow \$3 million dollars from SRF to finance the \$6.5 million dollar Wastewater Treatment Project. The pump station, force main and gravity sewer stimulus project of \$3.5 million dollars would be funded with \$1.5 million dollars being a grant and the other \$1.5 million dollars would be a 20 year zero interest loan and the City would pay the balance of \$350,000.00 with City funds or from the expected Rural Center Grant of \$500,000 to be awarded in June. He explained that if they applied for the whole project as a single item and they received stimulus funding, then they would not be eligible for State Revolving Loan Funds so the project was split in two. All permits are in hand, erosion control, encroachments and they are working diligently to have easements ready by June. He stated that they have been told that the City of Dunn's priority is such, that they stand an excellent chance of being funded – the City of Dunn's priority is higher than the numbers that were funded in the May award.

Mr. Powell stated that they expect to break ground on the stimulus and SRF projects in July or August, 2009 with completion of the projects expected in 18 months.

Motion by Council Member Joey Tart and seconded by Council Member Maness to adopt a Resolution Authorizing the City to File an Application with the State of North Carolina for a State Revolving Fund Loan to construct Wastewater Treatment Works. **Motion unanimously approved.** *A copy of Authorizing Resolution (R2009-21) to file an Application for SRF Loan is incorporated into these minutes as Attachment #5.*

Mr. Powell stated that he hopes to come back to the Council in June with stimulus funding.

**ITEMS FOR DISCUSSION
AND/OR DECISION**

Financial Report

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

- The City as of March 31, 2009 had \$3,157,696 in cash in the General Fund and \$1,928,326 in the Water/Sewer Fund.
- Investment earnings are in the 1.25% - 0.10% range.
- The March sales tax distribution was \$155,034. Currently we are at 57.87% of budget. The City should be at 58.33% collected.
- State Franchise revenue as of March 31st was \$421,106. Currently we are at 89.59% of budget. The City should be at 75.00% collected.
- Building Permit Fees are \$42,013 or 49.42% of budget. The City should be at 75.00% collected.
- Water and sewer revenues were \$3,198,372 or 71.85% of budget. The City should be at 75.00% of revenue.
- Fuel cost per gallon was \$1.34 in March.
- As of March 31, 2009, we were 72.14% spent in the general fund and 67.76% 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 75.00% spent.
- As of March 31, 2009, property taxes collected were 98.19% of budget. During the same period last year, the City had collected 97.95% of budget.
- DMV taxes collected are 66% of budget. During the same period last year, the City had collected 64% of budget.

**Reschedule Meeting Time for
May 19, 2009 Special Call Meeting/
Budget Work Session**

During the April 14, 2009 meeting, the Council scheduled a special call meeting/budget work session for May 19, 2009 beginning at 9:00 am in the Council Chambers; however, due to a conflict that was realized after the meeting, the Council is being asked to reschedule the meeting time for 2:00 pm.

Motion by Council Member Joey Tart and seconded by Council Member Turnage to reschedule the meeting time for the May 19, 2009 special call meeting/budget work session for 2:00 pm in the Council Chambers. **Motion unanimously approved.**

ADMINISTRATIVE REPORTS

Motion by Council Member Galbreath and seconded by Council Member Maness to accept the Administrative Reports. **Motion unanimously approved.**

EXECUTIVE REPORTS

Mayor Harris stated that he and Manager Autry recently attended Town Hall Day and reported that it was very informative.

Mayor Harris announced that on June 1, 2009 from 5-7 pm, a welcome reception will be held at the Brass Lantern, for Lt. General Lloyd J. Austin, III, Commanding General of the XVIII Airborne Corps. This event is sponsored by the City of Dunn, Dunn Area Chamber of Commerce and Dunn Area Tourism.

Mayor Pro Tem Robinson commended the Public Works and Police Departments for helping an elderly couple with a water situation during the weekend.

CLOSED SESSION

7:35 p.m. - Motion by Mayor Pro Tem Robinson and seconded by Council Member Joey Tart to enter closed session, pursuant to N.C.G.S. 143-318.11 to consult with the City Attorney about a pending legal matter. **Motion unanimously approved.**

Closed Session adjourned at 8:23 p.m. and Council reconvened the regular meeting at 8:24 p.m.

Motion by Council Member Maness and seconded by Council Member Turnage to approve the minutes of the closed session as recorded by City Attorney Pope. **Motion unanimously approved.**

With no further business to discuss, a motion was made by Council Member Joey Tart and seconded by Council Member Maness to adjourn the meeting at 8:25 p.m. **Motion unanimously approved.**

Oscar N. Harris
Mayor

Attest:

Debra G. West
City Clerk