

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

The City Council of the City of Dunn held a Special Call Budget Retreat Meeting on Wednesday, February 22, 2006, from 8:00 a.m.-4:55 p.m. at the Holiday Inn Express, Wallace, NC.

Council Present: Mayor J. Dal Snipes, Mayor Pro Tem Donnie Olds, Council Members Buddy Maness, Bryan Galbreath, Billy Tart, Billy R. Godwin, Jr. and Joey Tart.

Staff Present: City Manager Michael Uskiewicz, Assistant City Manager/Public Works Director Ronnie Autry, Recreation Director Perry Hudson, Finance Director Renee' Daughtry, Police Chief Timothy Benware, Chief Building Inspector Mike Blackmon, City Planner Steven Neuschafer, and City Clerk Debra G. West

Also Present: City Engineer Ed Powell, City Attorney P. Tilghman Pope, and Daily Record Reporter Lisa Farmer

Mayor Snipes opened the meeting at 8:00 a.m. and asked Mayor Pro Tem Olds to give the invocation. Afterwards, the pledge of allegiance was repeated.

Items for Discussion and/or Decision

Personnel Policy

Attorney Pope stated that he and Manager Uskiewicz have been working with the North Carolina League of Municipalities (NCLM) to update the City of Dunn personnel policy in accordance to other municipalities, particularly the judicial review.

Attorney Pope explained that revisions have been proposed by the NCLM as well as himself. A proposed resolution was presented to the council for approval of these changes.

Council Member Galbreath did not receive the proposed changes in a timely manner and as a result, he was given additional time to review these personnel changes until further into the meeting.

Action was taken on this item of business later in the meeting.

Special Assessments – Highway 421 widening

Manager Uskiewicz yielded to Assistant City Manager/Public Works Director Ronnie Autry and City Engineer Ed Powell to explain this agenda issue. The project cost was \$770,523.34. The state's estimated cost for this project was not as originally given. The state's portion will be \$105,837.51. This project entailed approximately 2800 linear feet.

Council Member Godwin arrived at 8:13 a.m.

The original figures on the petition for this highway improvement projected construction costs only and did not include administration, contingency or engineering costs. With all cost combined, the assessment per linear foot is approximately \$120.00.

Mr. Uskiewicz stated that this assessment was implemented for a ten (10) year pay-back. Cost over-runs are attributable to the state. Bad soil was found. The City had to adhere to the state's standards and the over-runs were given to the state. Mr. Uskiewicz recommended that DOT officials be contacted by someone assigned by the council to address the original obligation of \$175,000 pledged from the state for this project.

Mr. Powell stated that Enoch Engineering gave an initial cost estimate of \$550,000 for the project, however; the bid was \$669,000. The state had indicated an agreement to pay more of the cost. He advised that there is room for negotiating with DOT for these funds. The petitions that were signed indicated an \$80.00 per foot assessment to the landowners.

Mayor Pro Tem Olds asked if the landowners were aware of the assessment increase. Mr. Uskiewicz responded no; they need council direction to know what level of assessment will be levied to the property owners.

Council Member Billy Tart asked Engineer Powell if the turn lanes are included in the total cost of the project and asked if they were originally planned. Mr. Powell responded yes, Enoch Engineering included the turn lanes in this project. Mr. Tart stated that he was present at the meetings and he was never aware of the cost of the turn lanes on the other side. The property owners were given a construction cost of \$543,000. There is a financial state on the part of the City which grew when the design and administrative costs were factored in.

Manager Uskiewicz encouraged the Council to draft a letter to Mac Campbell with DOT. The state has placed an undue burden on the City. The City needs to reiterate the fact that this was a project adhered to the commitment and pledge given by DOT of \$175,000. The City should be given back a minimum of \$175,000 from the state.

Mr. Powell stated that if you take the actual construction cost of the project and deduct \$175,000 from the state divided by the footage, then the cost per foot drops back down to \$100.00 per foot, which is still higher than the original \$80.00 per foot.

Mr. Autry explained that bad soil was discovered when the turn lanes were built. DOT had inspectors who failed the soil test. All testing done by Enoch Engineering was not accepted by the state.

Property owners are not charged for the intersections. The balance left for the City to pay is approximately \$258,664.83.

Mr. Powell questioned if the City should assess on the construction cost only or forego what the property owners signed or assess on the overall cost including administration and engineering cost.

Mr. Uskiewicz recommended that property owners be assessed the construction cost of \$716,988 only. The difference between the \$770,523.34 and \$716,988 is the engineering cost. He recommended that the City absorb those costs.

Motion by Mayor Pro Tem Olds, seconded by Council Member Galbreath to follow the recommendation of the City Manager reference this project – to go back to DOT for recovery of the pledge they originally gave the City and to only assess the property owners the construction cost.

Mr. Powell recommended that the Mayor write a letter to the highway commissioner to ask that the state give their original pledge to the City.

Further discussion was held about the margin of error in the original estimate and the final cost. The original cost estimate of \$543,000 was given based upon Enoch Engineering, however, when the project was let for bid, the bids received were much higher than the original estimate.

Motion unanimously approved.

Website Proposal

Planner Neuschafer explained that Harnett County presently hosts the City website and provide technical support. The City depends upon the county to update the system. The software used enables departments to manage their own updates. Old information is still on the City website. This update will enable the website to remain current. The City would maintain the same look and style. Training and support would be given to the staff to manage their own updates.

Currently the department heads convey their web changes to Harnett County for updating. Discussion was held about how cumbersome it is to convey updates to the County; updates may occur at one location but not get changed all the way through the website, causing confusion.

The proposals by Design Nation (mapping) and KVENTURES, Inc. (write the program to allow the changes) were discussed. Discussion was held about the current condition of the City's website and the need for updating the site with current information.

Manager Uskiewicz stated that if council consensus is to go forward with these proposals, it will be brought forth at the March council meeting for budgeting purposes.

Harnett County is currently using the two companies of Design Nation and KVENTURES, Inc. and recommends them.

Council concurrence was to move this item to the March agenda for consideration.

Should these changes be made, the website should be up and running by May, 2006.

Action was taken on this item of business later in the meeting.

Outdoor Restaurant Seating-Downtown District

Manager Uskiewicz asked Council to give Broad Street Deli an extension to allow outdoor restaurant seating. He asked that the Council authorize the City Manager to give permission to grant this extension and to direct the City Attorney to change the language in the ordinance to allow for outdoor seating in the downtown district.

Council Member Billy Tart asked how they can enforce that tables not be moved further into the sidewalk. He is in favor of outdoor seating and suggested that measures be taken by the City to reiterate to the merchants that the City will enforce the definition of impeding sidewalk traffic.

Attorney Pope will draft an ordinance to address outdoor dining. A mechanism could be incorporated in the permit process to limit the number of seating allowed to prevent impeding upon the sidewalk. The individual permitting process would set guidelines for each business applying for outdoor dining.

Discussion was held about setting the following stipulations in the temporary use permit:

- Limit two people per table
- Table must be placed next to the building to allow free flow of sidewalk traffic

Motion by Council Member Godwin, seconded by Mayor Pro Tem Olds to grant a temporary use to allow for outdoor dining at the Broad Street Deli in the downtown district stipulating no more than two people per table and direct the City Attorney to draft an ordinance for outdoor dining.

It was discussed that the proposed ordinance allow for yearly renewal permitting, allowing control for each business. If a business did not adhere to their stipulations, then their permit could be voided.

Motion unanimously approved.

Interim City Manager

9:30 a.m. Motion by Council Member Joey Tart, seconded by Council Member Billy Tart to enter closed session to discuss the Interim City Manager appointment.

Closed Session

10:30 a.m. Closed session adjourned and the regular meeting reconvened at 10:50 a.m.

Motion by Council Member Joey Tart, seconded by Council Member Galbreath to approve the minutes of the closed session as recorded by Attorney Pope. **Motion unanimously approved.**

Interim City Manager appointment

*Motion by Mayor Pro Tem Olds, seconded by Council Member Joey Tart to appoint Assistant City Manager/Public Works Director Ronnie Autry as Interim City Manager. **Motion unanimously approved.***

Manager Uskiewicz asked for direction in posting and advertising the City Manager position. Mayor Snipes responded that the North Carolina League of Municipalities (NCLM) will be contacted to walk the City through the process of hiring for this position.

In addressing the Daily Record, Manager Uskiewicz stated that he offered his resignation effective February 2, 2006 and stated that everyone has known his intention. His proposal to the council will need to be modified or accepted. He has enjoyed his tenure with the City. He left it to the Council's discretion to decide whether or not they want him to adhere to the contract. He offered his new phone number should the Council need his assistance. He explained that his resignation letter was for the council's information and not the Daily Record. Mayor Snipes stated that they will address this issue.

Budget Topics

Downtown Revitalization

a. Fisherman's Paradise- City Engineer Powell was asked to present proposals and options for this property. Manager Uskiewicz recapped that the City bought this property last year for green space. A sketch was presented to the Council by Mr. Powell.

Mr. Powell contacted Architect Senell (the same architect that designed the Recreation Center) to look over this property. They propose to tear down the rear part of the building. The main building would be converted into an office. The roof will need to be replaced as well as the façade. Usable space of approximately 1500 square feet. Proposed outside stucco with a metal awning. Mr. Powell showed a proposed exterior drawing of the building. Approximate cost of \$150,000 to renovate this building. Public Works could provide the asphalt for the outside parking area.

Discussion was held about tearing down the entire building and re-building more office space. Mr. Powell stated that his sketches only address renovating the existing building.

City Planner Neuschafer presented drawings of exterior sketch proposals.

Discussion was held about any historical value of the Fisherman's Paradise property.

Mr. Neuschafer explained his sketches which showed additional parking areas adjoining the existing parking lot, a green space area with benches and kiosk directories, a brick wall area to match the proposed brick wall on the property across the street-good planning to coordinate the gateway into the City by matching the walls on both sides of the street.

Mayor Snipes stated that when the City bought this property, it was proposed to tear down the building and create additional downtown parking and green space. However, he likes the concepts presented today.

Council discussed the conceptual designs presented with the sketches and the direction they would like to take with this project. The existing gas tanks on the property can be filled with a type of foam to meet the requirements. Also discussion was held about removing the gas tanks for future development there.

The Council liked the idea of the proposals and improvements to the downtown district.

Mayor Snipes stated that in marketing the entire town, this is a perfect location for the tourism office. This location allows the City to set the standards for other downtown business improvements. The Council discussed the idea of salvaging as much of the existing building as possible.

*Motion by Council Member Galbreath, seconded by Council Member Joey Tart to authorize City Planner Neuschafer to proceed with cost estimates to renovate the building and parking area as proposed. **Motion unanimously approved.***

Assistant City Manager Ronnie Autry was asked to bring back cost estimates to the Council to remove the gas tanks.

Downtown Revitalization was continued later in the meeting.

Personnel Policy

Mayor Snipes entertained a motion to adopt the personnel policy revisions.

*Motion by Mayor Pro Tem Olds, seconded by Council Member Galbreath to adopt the proposed changes to the personnel policy as presented. **Motion unanimously approved.** A copy of Resolution (R2006-04) Adopting Amendments to the Personnel Policy are incorporated into these minutes as Attachment #1.*

Website Proposal

Manager Uskiewicz recommended that the Council proceed with the website proposal of \$7,005. Funds are available in the Planning department budget line item.

*Motion by Council Member Godwin, seconded by Council Member Joey Tart to authorize Planner Neuschafer to approve both contracts as presented to update the City website. **Motion unanimously approved.** A copy of contracts between the City of Dunn and Design Nation, Inc. and KVENTURES, Inc. is incorporated into these minutes as Attachment #2.*

Discussion – Adams Graphics Proposal

Adams Graphics located across from the Daily Record

Bart Adams has proposed to the Mayor that the City sell the Daily Record a part or all of the City parking lot located across from the Daily Record. The Daily Record is proposing to renovate and build on this property to make an approximate 1 million dollar investment. This item of business will need to be addressed in 60-90 days for the Daily Record to make a business decision. Discussion was held about getting a fair market value for this property.

Break for Lunch @ 12:00 noon

The meeting reconvened at 1:00 p.m.

Acceptance of City Manager's Resignation Letter

*Motion by Council Member Godwin, seconded by Mayor Pro Tem Olds to accept the resignation of City Manager Uskiewicz effective February 26, 2006 midnight and to pay Mr. Uskiewicz the balance of 166 vacation hours. **Motion unanimously approved.***

Mayor Snipes commended the Manager and council.

Downtown Revitalization (Continued)

b. Machine & Welding Property-A construction analysis of the property was shown. Manager Uskiewicz stated that the City earmarked \$20,000 for improvements. He asked that this funding carry over to next year's budget. Engineer Powell showed a sketch of the building. The walls of the building are not sturdy; they anticipate making it some type of open air market facility– create ability to drive through market.

Engineer Powell had a structural engineer look at this building. Approximate cost of \$360,000 to remove the roof and lower the walls to 10 feet. Building size is approximately 30,000 square feet. This cost was projected two and one-half years ago. There are four independent structures within this building.

The Council discussed the possibility of saving a part of the roof to allow trucks to drive in. Also discussion was held about the uniqueness of this building and the need for additional parking spaces in the downtown area.

Mayor Snipes asked Engineer Powell if grant money is available and would the City be eligible. Possibility of public/private partnership grants.

Manager Uskiewicz asked the council for the direction they would like to take with this project. Discussion was held about a mixed use, preserving the façade and interior and using the less viable portions for demolition and use for parking and landscaping.

Discussion was held about hiring a consultant that has experience with this type renovation.

Consensus was to continue with conceptual designs of this project.

c. McKay House

Two different scenarios were given. One is to restore it to historical standards and the other concept is to renovate it to City standards for office space. Mr. Powell presented a letter from Architect Planner Martin A. Senell. This structure does not have to remain on the Historic Register. The down side is it leaves the City open to a lot of negative publicity should the City renovate it outside of the historic preservation.

What will it take to renovate this building? To restore it to historic preservation would cost approximately \$400,000 plus.

To renovate it to non-historic standards as a City Hall annex would cost approximately \$200,000 - \$300,000.

There are four things the City can do with this structure:

- Preservation
- Rehabilitation
- Restoration
- Reconstruction

Discussion was held about restoring it to historic standards or selling it to someone that would want to preserve it to historic standards.

Discussion was held about a historic group that markets these types of structures. They purchase the property, renovate it to historic standards and then they may market it to interested entities. This is an avenue the City could investigate for future use of this structure. Most tax credits are given to individuals but not to government entities in preserving it to historic standards.

Discussion was held about the advantage of renovating this structure to non-historic standards for a City Hall Annex. This equates to \$60.00 per square feet of usable commercial space, which is a good price for this size building. If the City does not renovate the McKay house to provide additional space for City Hall, then there is a question of where will the City expand to.

Discussion was held that the McKay house purpose is primarily to provide additional office space for City Hall.

Discussion was held about being realistic of the projects which the city needs to focus their efforts to accomplish this budget year. The Council discussed prioritizing projects, especially space needs for City offices.

d. Street Improvements

Engineer Powell presented the downtown revitalization target area (Broad Street from Railroad to Clinton and Wilson Street from Edgerton Street to Cumberland). Discussed loan and grant funding from the community assistance program, state and federal agencies with beautification to follow.

Numbers projected for street improvements is \$390,000 - Water improvements \$170,000, Sewer improvement \$310,000 and engineering, design and contingencies @ \$170,000 - 1.1 million total (this cost does not include aesthetics such as brick pavers, or burying underground power lines) FY 05-06 budget appropriations was \$100,000.

Mr. Powell stated that he hoped the City could obtain 40% grant funding. They may know by the summer of 2006 if grant funding is available.

Break 2:30 p.m.

Meeting reconvened at 2:45 p.m.

Manager Uskiewicz left the meeting at 2:45 p.m.

Mayor Snipes asked Engineer Powell what he would classify as a high priority need. Engineer Powell stated that system overflows are still present. He suggested that the flow equalization system be installed should they receive the Clean Water Management Trust Fund (CWMTF) Grant. If overflows continue, the City will face fines.

Assistant City Manager Autry stated that the state has made the City aware that they will be required to install an equalization system. The state is requiring an SOC (special order by consent) report which will mandate that the City install this system regardless of receiving the CWMTF Grant.

Discussion was held about the vital need to replace water and sewer lines in the downtown target area. It was suggested that the City apply for grant funding for the entire target area.

e. Taxing District

Total of 565 parcels in the entire area. A one-cent levy for this property would result in \$3,880. Mayor Snipes suggested that the Council consider allowing the downtown property owners to tax themselves. Most downtown districts assess a tax levy higher than the one-cent.

Only the City Council can establish the tax levy for this district. The area must be defined. The majority of the downtown owners must agree to this tax levy and the amount of levy. This is the essential phase I for downtown revitalization.

f. Historic District

This report is not available at this time

Recreation Department

Recreation Director Perry Hudson reported that they currently have over 600 members at the Recreation Center. The center is opening at 6:30 a.m. It is essential to add another full-time position to maintain this center. Maintenance workers are currently being used to keep the center running. He requested that an Assistant Recreation Center Director be hired.

Capital projects requested include:

- Playground equipment replacement @ \$45,000
- Paved parking - Dr. P.K. Vyas MD Recreation Center @ \$50,000
- Little League Ball Field, new lighting and sprinkler system at Tyler Park @ \$100,000

- Paved parking - C.B. Codrington Park @ \$15,000
- Additional bleachers @ all three parks @ \$30,000
- Resurface Tennis/basketball court area - C.B. Codrington Park @ \$10,000
- Replace 10' chain link fence around the tennis/basketball court areas at Tyler and C.B. Codrington Park @ \$18,000
- Pave additional parking - Tart Park @ \$30,000

Mr. Hudson stated that the top priority is to hire an Assistant Recreation Center Director and playground equipment replacement.

Council Member Galbreath stated that during the district meetings, it was suggested that attention be given to C.B. Codrington Park, especially paving needs and bathroom facilities.

It was suggested that directional signage be installed for C.B. Codrington Park.

With the increase in user fees collected by the Recreation Center, the additional fee would fund the cost of hiring an additional employee.

Public Works Department

Assistant City Manager/Public Works Director Ronnie Autry stated that the major concern deals with bulky item collection and billing. The current policy is time consuming, costly to the City and the majority of bulky pick-up consists of minimal items. The code enforcement officer averages 35-50 miles per day investigating bulky pick-up. It cost the City approximately \$5.00 per letter to send notices. Also pictures are being taken of all items picked up and included with the certified mailing. Personnel costs exceed the collections. Majority of time is spent on bulky item pick-up. The current process is not working very well.

It was suggested that the City provide a truck to pick up small items on a continual basis. The bulk of the problem is rental property.

Discussion was held about the possibility of picking up small items but stipulations that would apply to landlords that leave most of these bulky items. The City averages 100 letters per month at \$5.00 per letter.

Discussions were held about red-tagging the items left by the roadside. Again, the major problems lie with the landlord/tenant situation.

Building Inspector Blackmon stated that it would be cheaper to pick-up bulky items weekly as opposed to the current system that is being used.

Discussion was held about tracking rental property to require a license fee when new tenants move in to offset the cost to the City should bulky items be left by previous tenants. However, this system would penalize the good landlords.

Amendments need to be made to the City code with reference to garbage and refuse collection. It was suggested that the City eliminate household garbage pick-up in the alleys.

Traffic Light Installation

Discussions were held about DOT design of the proposed traffic light at Tilghman Drive and Erwin Road and expanding the project to include the dirt lane across the road that feeds from Erwin Road to Highway 421 (owned by Wellons).

Police Department

Chief Benware proposed educational and professional incentives-Intermediate and advance certificates. More and more departments are going to education incentive packages. An example is that the Fayetteville and Garner Police Department's starting wages are higher if an officer has a Bachelors degree.

He gave an example of a previous City of Dunn officer who had 25 years of service, yet he was not at mid-range pay. Something is wrong when an employee is not at mid-range pay with 25 years of experience. The City will continue to lose good employees if the pay plan is not addressed. This is the only request of the Police Chief, to retain good effective employees.

The Council discussed the vital importance of implementing this pay grade/step. This encourages the employees and ensures that the City will retain good department employees.

Most employees receive a degree only to leave employment with the City. There is no incentive to continue working with the City.

Discussion of Possible Habitat for Humanity Housing

Discussion was held that the Rotary Club would like property to begin building a Habitat for Humanity house. The Denning property (located off Johnson Street and donated to the City) was looked at for possible placement. Habitat for Humanity is in need of property to place their house.

Discussion that this budget year will be a challenge.

Major issues with the operating budget include fuel increases. Goal to increase the tax base and not the tax rate however this will be a tough decision that will need to be made. Operating budget will need to be considered first. Projected revenues will need to be presented as soon as possible. Finance Director Renee' Daughtry will present these figures.

The tax rate for all municipalities in North Carolina was presented. Observation was made that Dunn has one of the lowest tax rates.

With no further business to discuss, the meeting was adjourned at 4:55 p.m.

J. Dal Snipes
Mayor

Attest:

Debra G. West
City Clerk