



**BUDGET WORKSHOP
JOHNSONVILLE COUNCIL CHAMBERS
117 E. BROADWAY STREET
TUESDAY, APRIL 11, 2023 5:30 p.m.**

The meeting was called to order by Council Member Stone

The invocation was given by Council Member Stone

The Pledge of Allegiance was given to the flag

Council present: Frankie Poston, Doolittle Stone, Dipen Khambhaita, and April Collins

City personnel present: Holly Swann, Ron Douglas, Joey Miles, Troy Gaskins and Marlene Rollins

Guest Present: Mallory Feagin, Tammy E. Owens

Ms. Swann asked council if they had any questions on the packets that were give to them last night, if so just give her the page number and the last three digits and they would discuss. You have three columns, eh approved 2022/82023 budget the estimated total for year end June 30th and the proposed 2023/2024 budget. The budget doesn't balance so it not anywhere near ready, we got to do a lot of work to get it to balanced.

Water Revenue

Councilmember Stone asked the estimated water sales revenue you are proposing \$12,000 more estimated use by 6/30/2023 so water sales are improving or going up.

Ms. Swann we are hoping to have more people hooked on.

Water Expense

Councilmember Stone stated the cost look reasonable or reduced from estimation for 2023/2024

Ms. Swann: some of those repair and maintenance were one-time things they won't happen again next year, so she reduced those cost, she also pointed out the budget line item ending 621, depreciation expense, had to guess at that, the auditor does that, so hopefully it will be less, she just went by previous year.

Council member Khambhaita asked about salaries and wages

Ms. Swann replied she added 3% increase in salaries for each department.

Council member Khambhaita asked about \$5000 that was proposed last year to be set aside each month for each department to purchase new equipment.

Ms. Swann stated that was for the capital plan and she didn't think it was ever done. The capital plan is what you actually intend to purchase not necessarily what you intend to put away. So that could be why it wasn't done.

Sewer Revenue

Joey Miles stated PRET is looking to add a few more lines that will increase the water flow, which increase revenue

Sewer Expense

Ms. Swann repair and maintenance will decrease, added an increase to chemicals, all of our cost is increasing
Increase in cost of tipping fee, depends on how much sludge
Joey Mills stated we need to add something to tap materials \$1000 was added.

General Fund, Sanitation, Police, City Hall

Council member Stone asked what is homestead exemption
Ms. Swann stated its an exemption when you don't pay more then \$50,000 on assessment of your home. Which is apparently 0.

Our credit card fees typo are \$4000, not \$40,000,

We went through our property tax revenue and not sure why it was budgeted so high last year.

Council member Poston stated that was almost \$200,000 difference

Councilman Stone stated our business license revenue is down from 21/22

Ms. Swann; that was the proposed, approved budget of \$180,000 but we are only getting like \$66,000 this year.

Councilmember Stone Police fines seem reasonable

Ms. Swann as we discussed at our last or our first workshop, when I just went over our bills, what we are paying and what we are being charged for things, we are going to go up on sanitation fees. The residential fees are going up .75 cents, the commercial will have an increase we are paying more to Waste Management then what is being pay to us.

General Expense

There is a tipping fee increase for trash disposal at the landfill

Chief Ron Douglas stated they will need a new heat pump this year, you have budgeted \$300 for uniforms, we normally budget \$2000, we want need that much but we will need more than \$300.00. Vehicle repairs normally \$8000, we have four cars, \$2000 per car, two should have been replaced by now, we are driving three cars over 100,000 miles, which isn't a lot of miles but when idling 12 hours a day, we don't have spare cars, I have heard anything about a vehicle so I assume we are buying a vehicle this year. Its kind of scary since we had three out of four out of commission recently, that the first time that has happened since I have been here, when I first came we were in pretty bad shape with vehicles, we got on a schedule of replacing a vehicle every other year, the newest vehicle we have is a 2019 so, we got about four years we haven't bought a vehicle, I'm screaming every year understanding that we got some other priorities going on, but eventually if we are going to work or go any place we have to have a vehicle. And the prices are skyrocketed we were paying \$33,000 on state contract now are about \$44,000 and another issue is if we get one now it takes six to twelve months to get the vehicle. I told Holly she did a great job on this these numbers look really good as far as most of the items, know she wasn't here she did realize how we got to these places and why some of these things have been done, but I wanted to go on record and mention these things so if and when it happens you can't say you are incompetent you didn't tell us you did anticipate this. I understand now is not the time the other issue outside of that is salaries, where at the lowest level (our officers) salary level the 21 years I have been here, that's because every agency around us has raised the pay, so our officers can leave here today (I don't anticipate anyone leaving) go get a job making \$10-\$15 thousand dollars a year more, again somewhere down the road we are going to have to address this.

Council member Poston stated Ron I understand where you are coming from, things have been put before some of the other things this city needs and that is going to change, its time we look out for our city and put priority where it needs to be. I appreciate you telling us what you told us.

Chief Douglas stated I understand all the other wants and needs and I understand how we got to where we're at but my position is I have to run a little small part of the city and need the money to run it with and I can do all that we are able to do.

Council member Poston: I listened to what you have said and I appreciate what you said.

Administration

Council member Stone asked what is contracted services,

Ms. Swann responded for services we use, an example: the new personnel policy will be drafted by a professional cause once I realized everyone has these crazy hours and everything else, I wasn't going to be able to do that, I have a cost that is well under that figure, that is just in case something else comes up.

Council member Stone, the community building, is the roof finished,
Ms. Swann, the \$14000 includes roof, and flooring

Council member Poston there is nothing budgeted for recreational expense.
Ms. Swann responded no.,
Ms. Swann stated she added \$5000.00 for PDRTA and \$500.00 for Pee Dee Coalition,
Council member Poston stated \$5000 want buy a lot of Christmas decorations
Council member Khanbhaita,: \$50,000 for Hospitality revenue, what can it be used for,
Ms. Swann replied, tourism expense, Façade grant, utilities, its tourism related.
We just spent \$90,000 on shed, \$250,000 in the fund now, spent 90,000 and will get \$50,000 new year.
Revenue is based on hospitality tax.

Council member Poston asked golf course \$50,000 what is that for and for what use
Ms. Swann: that is to transfer to the hospitality fund for Startup cost.

Council member Poston asked Mayor Pro tem (Stone) is the driving range ready out there?
Councilmember Stone stated he didn't think that needed to be discussed in this meeting unless you are talking about what.

Council member Poston asked if the driving range was open
Council member Stone stated he couldn't answer that. He wasn't keeping his fingers on it like a heartbeat, but you might think he is.
Ms. Swann replied we are opening June 1st, we are waiting on a general manager to start but we are opening June 1,
Council member Stone stated ok June 1, might be when the driving range opens Frankie, I don't know.
Chief Ron Douglas ask Holly do you know if the golf course opens the driving range opens to, hell it can't be a big secret.

Ms. Swann everything opens June 1
Ok Frankie, I guess you got our answer, that's the problem we have had in this town for so long everything is a secret and nobody wants the tax payers knowing what is being spent around here.
Council member Poston stated I thought I said something I shouldn't have said.
Ron: I understand your frustration to.

Tammy Owens asked what is the projected revenue for the golf course,
Ms. Swann replied she doesn't have that, but it was part of the information that she gave Tammy, it was a study that was done and the projected revenues was included in that.
Once its up and running it's supposed to pay for itself. I don't think the golf course was in the budget last year,
Police Chief stated the expenses were there, no revenues.

Reconciliation pages 16-18 tells you what your fund balance is or is not. The expenditures aren't supposed to outweigh your revenues, they should balance

Ms. Swann, you approved a balanced budget last year, I have put more realistic numbers in, but are going to have to figure it out somehow to get it balanced. It's always been a deficit at the end of the year I think this is the lowest it has been.


If you have any recommendation or have capital projects, that you want to put in the capital projects plan you can do that, but you have to watch your revenues and expenditures. Your revenues can outweigh your expenditures. I do want to point this out you know your water sales revenue is your water sales revenue, your sewer is your sewer, public works is public works and those are only used for water, sewer, public works, not used for golf course, they are used for this building because we are suppose to house them, this is the first year it will be used out of the water, sewer fund, without getting another bond I mean the golf course was being used out of the general fund, but funding we already had.

Ms. Swann will make corrections on what was discussed and will send out copies to council,

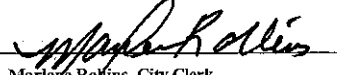
Motion was made by Council member Khambhaita and a second by Council Member Collins to adjourn the meeting. **Motion carried unanimously**

ADJOURNED: 6:52pm.

APPROVAL OF MINUTES: Minutes approved by City Council on this 9th day of May, 2023.



Johnny Harph, Mayor

Attest: 

Marlene Rollins, City Clerk