



COUNCIL MEETING
117 E. BROADWAY STREET, COUNCIL CHAMBERS
TUESDAY August 2, 2022 6:30 p.m.

The meeting was called to order by Mayor Hanna

The invocation was given by Council Member Altman

The Pledge of Allegiance was given to the flag

Council present: Mayor Hanna, Gary Arthurs, Doolittle Stone, Frankie Poston, Dipen Khambhaita
Jamie Altman, and April Collins

City personnel present: Marlene Rollins, Jim Smith, Ron Douglas, Joey Miles, Kem Poston

Guest Present: Tamala Owens, Sammy Jones, Wayne Douglas, Stephanie Harrell, Sharon Cockfield,
Gordan Avant, Kim Avant, Morris Perry, Margie Perry, and Joan Lentz

Motion was made by Council Member Arthurs and received a second by Council Member Khambhaita to approve the agenda. **Motion carried unanimously.**

Motion was made by Council Member Poston and received a second by Council Member Stone to approve the minutes from the July 5, Council Meeting with noted change. **Motion carried unanimously.**

PUBLIC FORUM

Sammy Jones 253 E Marion Street, Mayor you know why I'm here trying to find out about the drainage,

Mayor Hanna responded I talked with Jim, I understand they did some cleaning out of the ditches,

Mr. Jones stated they did yesterday, but that don't have anything to do with the drainage.

Mayor Hanna stated we are still going back to the same thing, I will let Jim elaborate on this little bit, we have to fine the money and we don't have the money.

Mr. Jones stated don't have the money, well didn't yal buy the place out there at Golf course, restaurant,

Mayor Hanna asked Mr. Smith to explain where the funds have to come from to do what Sammy wants done.

Mr. Smith. Usually when you're when we talk about drainage projects like this at this scale, we go off and get grant funds to be able to cover that. And Sammy and I have talked a couple of times and he asked me to put together when I was here a couple of times ago, he asked me to come out and take a look at the property. To get that. We had our engineers come up, take a look at the property, and Sammy is right, there are some deficiencies that need to be corrected. So, we had our engineers go out, do a survey, do a plot plan, go through an engineered site plan, and that site plan came back and said the cost of the time to do those repairs was in the neighborhood of \$80,000. So, I told Sammy was that we would make best efforts to put it on future grant project funding. And that always comes before council to be able to determine what the priority is. So, we're up for another round of grant funding over the next six months to a year. So that's something that you might want to consider. But that's where we left it.

Mr. Jones, how about I upfront the money for six months at 5% interest and yal pay me back and you can put that dump truck up for collateral., because you don't ever use it. I mean yal are just dragging this thing out that's all you doing. The only thing y'all concerned about is that country club over there. Yal don't give a crap about what goes on in this town, you Gary, Mr. Altman all you are waiting on is for that club to open and sell your houses and you knew that's what's going to happen. I'm trying to figure out why you took the job you all should resign and put somebody in here that will do something

Mayor Hanna There were several times when we had and we're not supposed to go back and forth in public form, there were several times in elections we didn't have enough people to run. I was on council twelve years before I took the mayor, but we brought this town a long way. I know you disagree with us and I know you want your backyard fixed and we want to fix it, but it's got to go a certain route for us.

Mr. Jones: This has been going on for almost two years

Mayor: right

Mr. Jones: And you got this gentleman here, Jim, he lies much I don't know whether to believe him or not. He was supposed to talk to me the other day at 12:00 No he was going to call me at one he calls at 230. Then I called a week before last, about the leaves to be raked up where the water can run. He said, he will have it done in 24 hours. That was Wednesday a week ago.

Mayor Hanna: let's go back to this here, this says five minutes, no personal or verbal attacks. We understand the question. I hope you've understood the answer.

Mr. Jones yes sir

Mayor Hanna: that is where we are,

Public forum is not for negative or verbal attacks on the council or employees or whatever, we will listen every month until we get something done. As soon as we can get something done, I feel like we'll do it.

Mr. Jones yal don't stay here long enough to see what goes on,

Mayor Hanna: that's enough

Mr. Jones: well, I will get a lawyer and work on it

Mayor Hanna: whatever you feel like you need to do

NEW BUSINESS

Mr. Smith: Mr. Mayor. One of the things that the council asked me to do when I came back was to replace the existing accounting firm that had left and I spent some time on that project. I've called several sources, including the Municipal Association and spoke to them about a company called Sheheen, Hancock and Godwin. And they come highly recommended by the Municipal Association. So, I spent a little time with Mark Wood, who is one of the principals of the firm. Very impressed with his qualifications and some of his contacts. They do work for a lot of cities and towns and state, he has a pretty interesting knowledge of workings of some pretty large cities and some pretty small towns. He also is very familiar with Mauldin and Jenkins, which is the auditor that we use to audit our books. So, what I'm going ask Mark to come in and speak to you a little bit. My recommendation is to bring Mark on board to replace the previous accounting firm. I think he will do an excellent job, and he would be wise using resource because he knows what needs to be done, he has spoken with me twice and spoken to Marlene and I this afternoon. I think he would be a good fit for Johnsonville. ask Mark to come in and speak to you for a few minutes about his qualifications.

Thank you for that, Jim. Mayor, members of Council, it's a pleasure to be with you tonight. My name is Mark Wood. I am one of the managing partners with Sheheen Hancock & Godwin. We're out of Camden, South Carolina. I have 27 years of experience, doing audit work for various cities and towns and school districts. Currently, we have about 35 audits that we do every year. I'm also the audit partner of my firm, so any audit that we do runs through me. I'm currently the outside CFO for the City of Orangeburg and the City of Chester, so I'm very familiar with how city finances need to work. As I said, we do various municipality audits, school district audits. We actually do Williamsburg County School District, so we definitely have the knowledge and the experience to help the City of Johnsonville get their books ready for audit. We know what the auditors want. Actually, Mauldin and Jenkins are the auditor for the city Orangeburg. I actually know who does the audit here. His name is Grant Davis. Him and I work in this

past audit at City Orangeburg, and so he was kind of excited to know that I would be helping the city go out to get their books ready.

Like I said, I do this for a living, so I know what the auditor is looking for. I know what adjustments need to be done. I know what work papers they're going to need. So, I have no doubt that we can serve this city in a very capable manner. Our firm was founded in 1959, so we've been around a long time. We're not just some firm that's newly created. So that's a little bit about myself. I had a very good conversation with Jim and Marlene today, and I kind of went through how I thought this would work for the city of us coming in, helping her get the books all closed out, all the adjustments done, getting all the work favors ready. And so, I think we're all on the same page. Certainly, we would be available for any questions that would arise during the year that she would have your new new administrator or council might have. We are available to do some consulting work as well. We can do that a little bit more than what the auditors can, because when you have an auditor, we have an independence issue that we have to be wary of.

And so, as auditors, as your auditor, they can only give you so much guidance. So, when you have an accounting firm, an outside accounting firm like us, we can certainly give you more guidance and more advice and things that you can do more so than your RGB account. So that's kind of a little bit about myself. I'll look it up. If anybody's got any questions, would like to ask me.

Stone: Mark, you say you do work in the City of Orangeburg.

I am right now. I am their CFO right now. And so, I am the CFO of two cities, city of Chester and City of Orangeburg. we do the Town of Blythewood, town of 96. And we're actually going to be doing Dillon County. We're going to be doing their work to get them ready for their audit. And like I said, we have about 35 municipality, governmental audits we do throughout the state from various counties. We probably have four or five counties that we do, we have a school district, and then we have various cities and towns with various sites. We do City of Hartville audits all the way down to the town of Great Falls. We do some large audits and we do small. And we also have two water districts that we do audits for as well. So, I'm very familiar with utilities, and that's not anything unusual. So, as I said, I know we've got experience that can serve the city.

Councilmember Stone: Do you have satellite offices

We do not. But I'm available the clerk would have my email, my cell phone number. I travel about four days four days a week. And so, if I had to come down here for some reason and that's Okay,

Councilmember Khambhaita: What's your take on using the revenue from the water department and use as a source of funding.

Mark Wood: What to use funds to use for general fund? That's not unusual. What we're finding a lot of times now is the general fund is to charge in a franchise fee to the utility department, and that's the way to get some of that money out. That's a very common issue that I see a lot of cities that are dealing with now that there is a transfer from utilities into the general fund. And the way most of them are doing it now is through a franchise fee. So, the general fund would basically charge a franchise fee no different than you probably charge like, Duke Power or Dominion Energy. Whatever utilities y'all have here in town, y'all getting a franchise fee from them, it would be no different. You would charge your utility department a franchise fee to generate revenue for the general company.

Actually, this may be more advanced to you.

Councilmember Poston: What kind of agreement are we entered into with him? Like year wise or as far as.

Mr. Smith: Execution of the three? Well, I think that's certainly up to the council. I would recommend anywhere between three and a five-year agreement, probably at least a three-year agreement, because you really want to be able to have familiarity with the books and familiarity with the city. You have plenty of contracts, you bring somebody else six months, nine months down the road, and you're constantly turning people over. This kind of work requires continuity. And the fact that they have a good relationship with our existing auditors, whom we've had, they were going to the fourth year with them, to me is the right way to approach it. Now I've told the council before, my personal opinion is that you should look at least on the audit side, you should look at changing audits every three to five years just to maintain independence. But when it comes to actually doing books and doing the accounting work and preparing the books for the audit, I think that's a little longer-term relationship because you want to get again familiar with the city, familiar with the procedures. Procedures. One of the things that they put in the management letter in past audits was that we need to get better at strengthening accounting policies and procedures. That's where someone like Mark can help us out, help the city out to be able to develop something like that in the long term. And if he's only here for a short period of time, it doesn't get dumped. And then you have the same issue coming up in the broader year after year after year in the management level. So, I would recommend that I would say to answer your question, frankly, between three to five years, okay?

Mark Wood: About having an out clause? If you all want. I understand the dynamics and I understand that new city management comes in, we might not jive, and I certainly understand that we'll have no hard feelings whatsoever. So, if that's the desire at that point in time to end our relationship, that might be a problem. I've been in this business long enough, I know how the dynamics work, and I don't think there will be a problem. But you never know. And certainly, I will not hold that against the city whatsoever. If the new city manager comes in and he desires to go a different direction, I'll be happy to say I will let you out of your agreement. That's not a problem.

Mr. Smith: Frankly, just to put some context of this, what Mark's firm does is going to be repeated whether I'm here or another city manager is here. So, Mark made correctly, but there isn't that much going to be that much of a difference. This is pretty much black and white. I mean, the thing that they do are pretty routine. If Marlene prepares the books and she basically gives him he acts steps for a list of things to be prepared so that his group can come in and basically put all everything together to get into what they call working trial balance. So, it's pretty much routine stuff. But again, what I said earlier was that you want to maintain some continuity so that his people get familiar with the way Johnsonville does that. So that's why I mentioned in three to five years
yeah, like Jim said, it wouldn't be any different if it was another account in front of them. There are certain things that has got to be done, and because we do so much work, we understand what those items are. The different adjusting journal entries that's got to be done, and the receivables and the payables, and getting work papers together for the auditor. Because, like I said, it's what we do, so we know what we would be looking for. So, we know what the auditor will be looking for. And so, once we would be done, we would basically hand over a packet to the auditor and say, here's the trial balance, and here's all our work papers have at it.

Would it be possible to actually look at the contract?

I have sent Jim a contract already for you all to review. So, he's got a copy. If we need to tweak it any, he can certainly let me know. We can make whatever changes Council desires. I think right now, I think I did a three-year contract, if I'm not mistaken.

Any other comments?

Thank you, Council.

Thanks, Mark.

GOLF COURSE

Mr. Smith: Just to get clarification, do you want to see the contract? Do you want to move forward with a three-year contract? How do you want to proceed on that? Would like to see the contract with the exit close? Okay, that's fine. No, I have no problem then, if I'll send a contract out to everybody, one of the things we do need, though, is I'm going to need a pretty quick response, because we have a certain amount of time to get his firm in here, make the scheduling issues. We have to get these things done so that we can move forward. So, I'm not going to give you much time to look at it. What's that? And the auditors have they started yet. The auditors won't start until he finishes. So, the point is, Gary, he'll come in sometime in September and do his work, which would probably last about three days, and then everything would be done up through a work at trial battles, and then they would turn that over. They would be ready for the auditors to come in. So, my guess is what's usually coming in early in the end of September. So, anyways, I'll be glad to get it out to everybody. No problem. If you have any comments, what I'll do is I'll put kind of a response back type date. So, if I don't hear back from you by the next, say, week, ten days, I'll move forward with this contract. If there's legitimate concerns and we'll get them addressed and I'll get responses.

On the golf course, construction is almost finalized, southeastern, which is a contractor a construction contractor has, for all intents and purposes, left site. The day-to-day work is done with the exception of the current pass, which is one of the last things we have going on, we think we can generate pretty significant cost savings. They're going to be milling Section 41 to 51 up in Hemingway, and they will be taking the shadings from the road grading and using those for the car paths. On the majority of the golf course, they are packed down just as well as concrete when they're done. So, the state, we're working with the state to try to give us as many truckloads of those shadings as we can get. Now, as early as this morning or as latest this morning, I should say, the state contractor said that he has enough shaping things to fill up the entire golf course parking lot. So, he's wondering where to put all this stuff. And my premise is to take everything we can get, but we're really going to have to be careful they don't completely smother the parking lot with these shadings. When we start to get them, Jerry, which hopefully would be beginning of next week. Information we have, I'll ask if we could take it to the back side of the property so that's good news. There could be a significant saving, \$100,000 worth of savings. We can get that renovation. The program building renovation is complete. We're in the cleanup phase where there'll be some actual cleanup of building. There will be some furniture around inside the building and the growing of the column coolest. Everybody can see it start to green up. There's a lot of work involved in getting this coolest to grow in properly. And the DT folks who are working their butts off to get the course in shape so

that we can open in October and we are shooting in sometime first week, maybe the middle of October. I do want to make a comment, and it has nothing to do with the golf course at all.

I don't usually say this, I've been doing this stuff a long time. I will have to correct Mr. Jones comments. What he basically said about getting involved details, what he told you was incorrect. As you know, I've been dealing with Sammy Jones for a long time. I've tried to treat him with courtesy and respect and I was hoping that he would do the same with me. But I am not happy with what I heard because I tried help him out whenever he asked me to do something that I can control. What I can't control is an \$80,000 project and that money has not been available. I explained that repeatedly and I just want to make sure the Council understood that what he told you is correct. I didn't tell him some of the things that he mentioned and I just felt it was important for the Council. These are the kind of things that happen. But I've always tried since the five or six years I've been here, to try to be as honest and have as much integrity as possible. But what he said was really taken out of context. Correct me if I'm wrong, but this is on the personal property anyway, isn't it? It is in the back of his property. And I told him, unlike some other people that told him, I did tell him that he was not the cause of this problem. This drainage issue on the backside of that property was caused by a city error. The city did a drainage project in that piece of property that was substantial. And I think I've mentioned this to Council many times and I acknowledge the fact that we had problems there and that he had legitimate concerns and that I would do my best to try to solve the problem for. And anything he's asked me to do in between, like cleaning out ditches and removing leaves as he said, I've always tried to do and it's always been within a short period of time. But as I explained to him and I showed him the taxpayer, I showed him the plot plan, I showed him all the engineering drawing and drawing. It's a major problem. It's a major fix and it's the only way that it can be fixed right. Otherwise, he's going to be back here in two years. If you put a \$10,000 fixing there to try to alleviate the profits, not permanent solution, you're going to end up having the same problem over and over again. So that's why I had the engineers come in and at the city expense at the time and do a complete engine drawing as to what it was going to take to get that water off that property to repair this problem. When they did the bad job 15 years ago, 15-20 years ago. This has been going on for many, many years. This was a problem. And the only reason I know that is because we have supervisory people here in water and sewer that have been here for 30 years, so they know what happened. Of course, I wasn't here, but at the end of the day, you go out there and you don't know anything about water and sewer infrastructure. And especially when the engineers came out there and said, jimmy, here's the problem. And they go through it all in the field. And then you come in and you do an engineer drawing to be able to solve it. It was clear that it wasn't done right in the first place. And that's why you have cave ins, you have wash outs, you have all kinds of things that have occurred over the last 15 or 20 years because it wasn't done right. Yes.

Like you were saying, if you could find some kind of grant that would help that out, he's willing to just like with the refacing of Johnsonville, like, you put \$2,500 in Johnsonville matches that with that person. If he was willing to put up some money, maybe you could find a grant that he could match, and that would be a solution that maybe you could help him out and let him know that he would be the number one kind of on my priority to find him since he's been up here time and time again. Obviously, it's not his fault, but this has happened, and I can understand his frustrations with that. I think he needs to be somewhere hot there trying to find a solution in a brand somewhere.

April, I you 100%, and I tried to tell him that, number one, it wasn't his fault. Okay? Number two, the best way to solve this is because of the dollar amount involved, is to go out and do a grant, some type of a grant, because water and sewer infrastructure grants are the easiest way to solve major problems. They come up usually twice a year, spring and fall, this matching money the decision has that they can put up. Unfortunately, over the last society period, we've been able to match a lot of brands, and we've done a lot of infrastructure work. I mean, people have been here with me for last five or six years. Understand, we spent millions of dollars in grant funds improving infrastructure here between loans and grant funds. I mean, we've done a tremendous amount of work in concept, relative terms of the infrastructure. But it's not his fault. And he has legitimate concern. And I explained to him and told him, I said, the way to fix it permanently so it doesn't come back.

Mayor Hanna He does. This is need to be put on our agenda. You raised good points. Sammy had a lot of accusations. I don't know exactly where he finds his facts from, but I didn't want to get into it in a position I was solving as much as he did. Probably not that much we want to solve it, but he's got to understand that we have gone through this for a long time. It's going to be the same answer, but I promise we won't have any more back and forth conversations. He's on the public forum sheet every month, and nobody wants just like he said. Some of the things that he did state, I have no clue where he said.

Outpost

I met with Craig Floyd of Floyd Appraisals. We had done work with the city several times at the Handle last week. He has gone out, done the measurements that he needs to do. I anticipate we will have a report from him by the end of this week, which I will share with the Council. It should give us a great value of the problem. One thing you need to understand about that property is that it does come with almost an additional lot. There is almost an additional whole lot to the left of that property. With a gazebo. You can't call it a lot, but there's an additional piece of land associated with the building that has to be factored into the total purchase price because he didn't know. They're going to be subdivided, but maybe which piece of property is that facing the building? The gazebo would be on the left, and it said property. It's right there on the left. Right there in the same corner.

Is that not all one piece of property?

Yes, one big piece of property. But I'm just saying it's a sized piece of rock, so there will be some additional value. I guess that I didn't really what at first, I didn't really realize it was there, but I mean, as far as the additional value. But it's sizable, so it would be on the left side of the building, facing it. Buildings in okay shape, not in great shape. Went through building for about an hour with him. I really looked at HVAC. Needs some more, got some challenges with the building, but still, it's a good work building. He suggested that you might want to consider selling into a daycare only because you think it is daycare, so you throw out an idea. But his thought was, you got a lot of open space. You've got Shelving that's all along the walls, which you could use for storage and toys and whatever. And then you can have a gazebo up there. You have some play area up there. You could have some play area. He suggested that might be a good location or something like that. So, I'll bring the report back. I'll send it out via email when I get it, and then we can talk about it next month and decide how you want market by one sell.

On the new business discussing the annexation of the New Hope Road. There's been some interest from those folks out there, but I want to annex into the city.

Mr. Smith: All right, what I'm handing you out here is kind of a synopsis as to there had been some interest expressed by the council about potentially annexing in New Hope Road, which as you know, was down that's okay. So, what I did is I talked to the attorneys, and we looked at the possibility of potentially annexing the property in what you have in front of you is something that he sent me earlier last week and then he sent me something, an updated version today. But the bottom line of the annexation is that right

now, unless you have contiguous pieces of property that tie the New Hope Road into the city limits and there's a couple of methods. The first one is you have to go through and send out letters to each of the people involved. It owns five parcels. So, if you flip over the second page where it says memorandum, you'll see that tax map, laws, county. You can see the numbers here. It says one, two, three. Not perfectly clear, but they're fairly clear. See if New Hope Roads up there on the top right, there are five different parcels that separate city limits from New Hope Road. Those are the five parcels that you would have to talk to the owners on. And what would happen is, again, without going through all this, it's just paraphrasing. What happens is you have to go through and determine whether there is interest allow or be able to begin extend as part of the overall process. If you can get all five of them to agree to do that, then there's another way to do it. If you get out to the third paragraph instead of trying to paraphrase, it's pretty simple. So, there's two options that are each of those residents petitioning for annexation and obtaining 75% of the assessed value to sign onto a petition, annexing the entire portion. To do so, you need the two largest parcels plus one more to a gradient. Now depending on how far you pushed up New Old Road, that could expand the annexation, arguably more than value would water it down. In other words, there's a value. And you can see if you go to the following pages, you can see parcel one, parcel two, those are the elements. Parcel three, four, five. And they have for all these properties is \$286,000. What Charlie is saying is process three and parcels four make up roughly half of that. Or actually if you could get a third parcel to agree to be annexed in legally, you have the right. And if you could do this, you could do it. So, you don't have to get everybody to agree, but you need to get based on the appraised value, majority of the cost. So again, this is a potential annexation. This is not cast in stone. This is an initial cut at what it would take to get it done. There are five parcels involved. How many ways to do it? I guess my question to cancel is, and again, you can read this at your leisure. I just got some of this information today, so it's relatively new. But that's my question to council is really want to go from here.

Council member Arthurs: I understand the first way, you said if everybody signs on, it's pretty much right.

Mr. Smith Okay.

Councilmember Poston: The second way he's saying you got. to get 75% of the assessment and. If you get 75%, the other 25% have to go along with the rest.

Mr. Smith: That's my understanding. What we're doing.

Council member Poston: If we go that way, I'm just staying, I'm trying to get everything straight here. So, what we say if we go that way, then we're going to force somebody to come aside and digitally don't.

MR. Smith: Legally again, that's my understanding. Though if there's some legal loophole there which, you know, there's some way around that, we haven't got to that point. But this is the straightforward two methods.

Council member Poston Great. More I can't see forcing somebody to come inside. People want to get inside. I'm not the force that anybody should do anything that they don't want to. America is not good like that for somebody. America is a free country. You should be forced to do so. That's not personal vision.

Council member Arthurs: Jim, wouldn't it be logical to get these five pieces of property that's required before we team annex anything, get those owners to communicate with us and agree that they agree or they don't agree? Council even said a proceed with this.

MR. Smith: Right. And that's why we brought this up a step at a time. Okay, I try to take this a step at a time so you don't get too far ahead and then make a decision and then find out later on that you're going to regret it. So, what I'm trying to do is say here are the ways that can be done. That's what I call a potential annexation. And this is the way you go about it. So, the next question is that you were asking is if we take the next step in getting in direct contact with the property owners and see if there's an interest. Right. And if they have a dead issue. Right? Correct. There's no other way to do that really.

Council member Poston: things but he knew about somehow, they did and I told him I didn't know I would ask him about it. And I'm not saying that same. Some people own it and that's all-good times. But I go back to what I said. If you get your five people to a group to join in and go to Cinnamon, I mean, that's all great, thank you. But I'm not forcing somebody to do something that they don't want to do.

Mayor: I think all Jim said it is part of the process of moving forward is to communicate with people that are involved and then you'll know what you need to do. The reason it was brought up was there was some interest, then you have to proceed like what you're talking about and then we get people involved.

This is not nothing that we're headed down this road. This is just something we're going to explore because of the interest that we have.

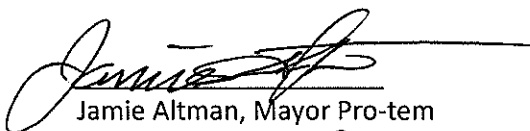
Mr. Smith All this is just information for the council so they can make a decision. And the next step, as you all find, is to go to the parcel owners and talk to them individually and see if there's an interest. If there's an interest, I'll bring it back to the council and you can take the next step if that's what you want. So fair enough. No, we cut off the applications for we only got eleven applications in there. The people on the committee after the meeting and we're going to talk about whether we want to bring up questions.

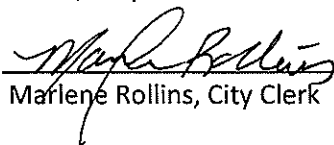
Council member Arthurs gave a report we have eleven resumes to date for the administration position, some are repeats, we will meet in a few weeks to start interviewing.

Motion was made by Council Member Arthurs and received a second by Council Member Altman to adjourn the meeting. **Motion carried unanimously**

Adjourned: 7:25pm

Approval of Minutes: Minutes approved by City Council on this 6th day of September, 2022.


Jamie Altman, Mayor Pro-tem

Attest: 
Marlene Rollins, City Clerk

