

Budget Committee
Minutes
City of Jackson
06-17-2021

I. Call to order and welcome

Chairman Paul Taylor called the meeting to order. In attendance were committee members Johnny Dodd, Andrew Long, Doug Roth, Paul Taylor, Ron Tharpe, and Ross Priddy. Absent was Mark Johnstone. In attendance from the City were Bobby Arnold, Tawanika McKinney, Leilani Mills, Tom Wolf, Mayor Conger, and Sandy Maxwell, recorder of the minutes. The full video of the meeting can found at <http://www.youtube.com/CityofJacksonTN731> (time-frame reference).

II. Approval of Minutes: May 25, 2021, were approved as presented.

III. Information

a. FY21 Revenue Report – Bobby Arnold (00:34 – 5:40)

Chairman Taylor asked Mr. Bobby Arnold to give a quick run-down of the numbers.

Report: Per Mr. Arnold, our May Sales Tax check was the largest one of the year; it was 33% higher than the same month last year. Looking back to FY 18 and 19, our sales tax revenue was about \$1.75 million year after year. This year is \$2.3 million, so Y-T-D we are 8.9% higher than the prior year. In addition, Hotel/Motel Tax Y-T-D for FY 21 is 700,000, FY 20 was 500,000, and FY 19 was 622,000, so much higher than we projected. Mr. Arnold said he had adjusted the budget to numbers to reflect the April decrease and the May increase, essentially budgeting it flat.

b. American Rescue Plan Local Government Distribution (5:42 – 9:28)

Chairman Taylor said that he and the Mayor had gone through some training (by the Comptroller's Office) to spend the American Rescue Plan (ARP) money properly. His biggest takeaway was to put your plans together but wait on spending. In our discussions, we have been calculating lost revenues and spending money on improving our infrastructure. The Comptroller's office and state representatives also want to see infrastructure improvements. Mr. Taylor explained that we would be waiting on the final guidance because if the money is not spent properly, it will need to be paid back. The final guidance is still about 50 days out, per the Mayor. Another resource that will be available to us is the database of acceptable projects. An example could be Jackson, TN used the money to do an

infrastructure and paving project to increase traffic flow to a busy intersection; now, other cities and states can access the database for ideas on spending their money.

IV. Business

a. FY22 Budget Amendment Review

Chairman Taylor explained that he had invited the department heads to attend today's meeting to answer any questions. He asked Mr. Arnold to start by just going over the proposed budget amendments.

i. Solid Waste – Leilani Mills from Health and Sanitation Department (9:30 – 17:48)

Mr. Arnold said this budget amendment would allow four new positions (operators) in the Health and Sanitation Department (H &S). Two for expanding our claw truck services and two for trash collection in the downtown and city park areas. The total cost with benefits would be \$229,116.00 for this budget year. Chairman Taylor asked if this would reduce other department budgets, i.e., Groundskeeping. Mayor Conger said no, and explained that Groundskeeping has been doing the trash collection, but it makes more sense to put those jobs into our Solid Waste Fund, but Groundskeeping will be keeping their folks to help maintain the parks. Mr. Taylor clarified with Ms. Mills, Director of H & S, that these new positions for the claw truck would be replacing the two trucks that we will be losing from Waste Management's new contract. She said that is correct. Board member Ross Priddy asked about the timeline of the new hires. Mayor Conger said between interviews/paperwork and council approval, it will be August. Mr. Arnold further explained that this would be an amendment to our new FY 22 budget. Mayor Conger explained that H & S has new equipment already set in the Capital Budget. Mr. Taylor clarified that the funds would be coming out of the Solid Waste Fund balance.

ii. Street Resurfacing – Tom Wolf from Engineering Department (17:49 – 45:48)

Mr. Arnold said this budget amendment would be for the FY 22 Street Resurfacing project. He explained the numbers; \$1.5 million is an FY 21 carryover from a state grant, plus another state grant for FY 22 of \$750,000, minus the Ridgecrest Road project that happened during the winter, so our total is about \$1.9 million. This amendment would add another \$4.0 million from our General Fund to our

Capital Outlay Fund to do the proposed Street Resurfacing project. Mr. Tom Wolf from the Engineering Department presented a timeline of the proposed project starting in August, working through the fall, breaking for the winter months, and finishing the project by May of 2022. Mr. Wolf said the project would resurface approximately 80 streets. After some discussion, the board members requested more information from Mr. Wolf: *A list of 80 streets to be resurfaced, When will the bids for the contract go out, Can the contractor get the 80 streets done within the timeline, What percentage of our 1 and 2 streets will this project get off the list and how many streets will be remaining.*

b. Goal/Need Oriented Sub-Committee(s) Discussion (45:50 – 48:17)

i. Healthcare Cost

ii. Infrastructure Planning/Execution (Streets/Stormwater)

Chairman Taylor said regarding forming the subcommittees and asked everyone to please give him some recommendations for form these committees. Healthcare Cost consists of Stacey Stone in Risk Management, the Mayor, and Bobby Arnold in Finance. The Mayor suggested Stephen Jett for the healthcare committee. For the Infrastructure Planning subcommittee, Mr. Taylor will help but reminded everyone to think about other people that can be added.

c. Purchasing Recommendations and Action Plan Update – Tawanika McKinney (48:18 – 50:13)

Chairman Taylor asked Ms. McKinney to give an update on the improvement for the purchasing department. Ms. McKinney said she has been working with Susan White and her new employee in the purchasing department. They review best practices and the new purchasing procedures. They, in return, held a meeting yesterday with all department heads to prep them for those coming changes. There still needs to be some fine-tuning, but otherwise, the procedures should be implemented relatively easily.

d. FY22 Audit Plan Planning – Tawanika McKinney (50:18 – 53:46)

Chairman Taylor asked Ms. McKinney to share the first quarter of the FY 22 audit plan. Ms. McKinney said she would begin the first quarter working with purchasing and some of the other departments. She said she would also be looking at the new Waste Management contract beginning in

September. Then, I will be looking closely at the daily operations to ensure they adhere to the new contract. Ms. McKinney said that in August, she would start working at the Animal Care Center. In addition, the quarterly work she will be doing, any investigative Comptroller reports that come due will look at the unplanned corrective action. Finally, we will monitor any cash control issues that any department may have experienced; we will offer training and support. She said these are some of the main goals for our quarterly report. Chairman Taylor added that in some of his discussions about Waste Management, the definition of hand piles (small pile of brush or a few bags of leaves, etc.) is becoming a big issue. He wants to make sure they pick those up and not wait on the City of Jackson claw trucks. Mayor Conger reminded everyone that the public education campaign for the new Waste Management contract would begin soon.

V. Other Business

External Auditor (53:47 – 57:37)

Chairman Taylor asked Mr. Arnold to update everyone on the external audit. Mr. Arnold reminded everyone that we have a new audit firm this year, Mauldin and Jenkins. We are currently in contact with them, and they will be here on-site on July 6 – 8th. Our departments will be doing some inventory counts at the end of June. Since this is Maudlin and Jenkins's first time to do our audit, they have requested a lot of information. We have until the end of August to get them our trial balance numbers.

Doug Roth (57:43 – 58:52)

Boardmember Doug Ross took a moment to thank the committee for allowing him to be a part of the Budget Committee over the last two years and is hopeful that his input has been helpful to the committee. He also expressed his gratitude for all the long hours and hard work each member of the committee has put in on behalf of the citizens of Jackson. Chairman Taylor and mayor Conger thanked Doug for his commitment and service; he will be missed.

e. Regular meeting time – 2nd Thursday of the Month @ 11:00 AM

i. July 8, 2021

V. Adjourn