

Budget and Audit Committee
Minutes
City of Jackson
01-20-2022

I. Call to order and welcome

Chairman Paul Taylor called the meeting to order. Committee members Johnny Dodd, Mark Johnstone, Ross Priddy, Fancher Sargent, and Paul Taylor were present, Andrew Long and Ron Tharpe were absent. In attendance from The Jackson Chamber of Commerce were Kyle Spurgeon and Ryan Porter, and from the City were Bobby Arnold – Finc. Dept., Tawanika McKinney - Internal Auditor, Mayor Conger, and Sandy Maxwell recorded the minutes. The full video of the meeting can be found at <http://www.youtube.com/CityofJacksonTN731> (time-frame reference).

II. Approval of Minutes: were approved as presented.

III. Information

a. FY21 Revenue Report - Bobby Arnold (00:20 – 4:02)

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

Report: Mr. Arnold explained that property tax collections through December and some of January were up 3.6% compared to last year. Local sales tax is up 12% compared to last year, and state sales tax is 15% above the prior year. Mr. Arnold said he did not have new numbers from Lori Nunnery. Still, the Hotel-Motel tax continues to track positively and notes that October 2021 was a record-setting month for Hotel/Motel tax.

b. Update on FY21 Audit - Bobby Arnold (4:03 – 9:13)

Chairman Taylor asked Mr. Arnold to give an update on the external audit. Mr. Arnold said our new audit firm had filed an extension, which will change the deadline to January 31, 2022. He expects a draft of the audit statements by the end of January. They will present the audit findings to us (Budget Committee) in February and the Council in March. Mr. Arnold said that he anticipates an unmodified opinion from the auditors, which means big surprises. But he

said he does anticipate some finds and audit adjustments, but nothing unexpected; the categories of the findings will be operational and transitional, meaning differences from previous audit firm versus new audit firm.

c. Internal Audit Update - *Tawanika McKinney* (9:16 – 10:25)

Chairman Taylor asked Ms. McKinney to update the board on items she has been working on. Ms. McKinney said she is reviewing city policy, but her primary focus has been working with JTA, which has made some progress. A few of those items will be presented to the Council in February. She added that the City of Jackson Municipal Code and Ordinance committee has begun to review the City's Code and Ordinances.

IV. Business

a. FY23 Budget Calendar Discussion (10:26 – 11:26)

i. City Council Budget Planning Session

Chairman Taylor said that the council had just completed a training session with MTAS this morning. They had laid out some long and short-term goals; 10 yr, 5 yr, and immediate 1 yr goals. He said he would forward the report to everyone once MTAS completes it.

b. Jackson Chamber of Commerce Funding Request for Blue Oval City Marketing and Coordination (11:27 – 18:24)

Chairman Taylor asked Mr. Kyle Spureon to explain the funding request for Blue Oval City. Mr. Spureon said the Chamber is asking Madison County and the City of Jackson to invest \$75,000 per year for the next five help with recruiting supply companies and people to Jackson, TN, to support the Blue Oval City. He said they have also asked W TN Healthcare and JEA to invest \$37,500 each for the next five years; this will give them \$225,000 a year to help with their efforts. He said this would be a separate fund only for the Blue Oval City. He said that Ryan Porter would be over the project.

Mr. Priddy asked if this committee would get updates on how funds are spent and possible projects. Mr. Spureon said yes, they would be given quarterly.

Mr. Taylor motioned to recommend this funding request to City Council for their approval; Mr. Priddy second, when called upon to vote, all voted yea. Mr. Taylor said he would get it added to the February agenda.

c. 5-Year Capital Plan Update (18:27 – 22:18)

Mayor began by speaking about the salary and staffing study; the consultants will be here next week. These results will help us separate funds from the ARPA and build a new 5-year capital plan. Mr. Arnold said we are on pace with the budget calendar. He added that there had been a lot of work done with the ARPA fund, which is necessary to help clarify everything before we start planning our 5-year plan. Mr. Taylor asked Mr. Arnold if he thought we could see a draft of the plans in early February. Mr. Arnold advised it should be doable. The mayor added a final comment on how well the department heads have done with amending items they "traditionally" thought of capital over to the operating budget, getting things cleaned up through the Recorder's Office.

**d. American Rescue Plan Local Government Distribution Planning – Mayor
Conger/Paul Taylor (22:20 – 31:45)**

Chairman Taylor said we continue to get additional guidance, so with that, some of our initially proposed buckets of spending have changed a bit. He gave everyone a copy of the new spend-plan and latest resolution. The mayor added that the spreadsheets are not balanced with the actual spend plan since we have some uncommitted projects for the Community Impact portion, essentially getting some money spent in FY 22 and the rest in FY 23. The committee discussed the Love Your Block grant and implementing the action plan for the projects on the spend plan. Mr. Taylor mentioned the TDEC/Stormwater and how to leverage those funds with other available state funds to get the most for our money.

V. Adjourn