

# Budget and Audit Committee Minutes

## City of Jackson

03-24-2022

### Call to order and welcome

Chairman Paul Taylor called the meeting to order. Committee members Paul Taylor, Ross Priddy, Andrew Long, and Fancher Sargent were present; Johnny Dodd, Mark Johnstone, and Ron Tharpe were absent. James Bence with Mauldin and Jenkins, LLC. In attendance from the City was 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).

### Information

**a. FY21 DRAFT Audited Financial Statement Review – James Bence, Mauldin and Jenkins (00:26 – 56:13)**

Chairman Taylor asked Mr. James Bence to run through the external audit and financial statement. Mr. Bence gave a detailed account of the audit finding and financial statements; watch the complete presentation on Youtube.

**b. FY22 Revenue Report – Bobby Arnold (56:17 – 58:17)**

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

**Report:** Mr. Arnold said today is sales tax payment day, so these numbers are through February. Local sales tax is up 7.2%, about \$1.1 million over the prior year. State sale tax is up 14.2%, about 630,000 over the prior year. Mr. Arnodl said we need to monitor these numbers close to the end of this budget year.

**c. Internal Audit Update – Tawanika McKinney (58:20 – 1:00:38)**

Chairman Taylor asked Ms. McKinney to update the board on items she has been working on. Ms. McKinney said once again; her primary focus has been with JTA. She added that City Attorney Cobb and Paul Taylor have also been helping with a plan on how to proceed with some operational issues. They are also working with JTA to establish uniform purchasing

procedures that comply with the City of Jackson. One other issue being worked on is the healthcare costs; Risk Management is helping to get this issue corrected. Mr. Taylor said we would also start adding JTA to the city's budgeting process.

## **Business**

### **a. Budget Amendment Review**

#### **i. Recreation and Parks Seasonal Employee Pay (1:00:39 – 1:03:58)**

Chairman Taylor explained to the committee that the city is experiencing difficulty filling seasonal positions for the summer camp program. Mr. Bobby Arnold said we are having a recruitment issue, so we need a more competitive pay with its payscale; he recommends changing from \$8.00 to \$13.00. There would be an increase in the FY – 22 budget by \$61,348. Mr. Arnold said that seasonal positions were not included in the salary/staff study.

### **b. FY23 Budget Calendar (1:14:40 – 1:23:17)**

#### **ii. 5-Year Draft Capital Plan**

#### **iii. FY23 Proposed Budget Update**

Chairman Taylor updated the committee on budget work sessions with each department from earlier in the week. There are some possible changes, which Mr. Arnold and his staff are going through now. We are hopeful to have the first draft to this committee for review and discussion for our April 21<sup>st</sup> meeting. There was some additional discussion about reappraisal for property tax, the salary and staffing study, and contacting the financial advisors regarding the best types of funding for us.

### **c. Budget/Audit Committee Process Discussion – Future Planning (1:04:00 – 1:14:40)**

#### **iv. Ordinance Review Committee**

#### **v. Standardizing Items for Review and Recommendation**

Chairman Taylor explained to the committee there needed to be some decisions for specific expectations of this committee. He said that the audit role of the committee is well

defined. But further decisions on the budget amendment reviews, making recommendations to the council, etc., need to be more defined and a system or process in place, especially if financing is involved. He asked about the thresholds for committee input and how to integrate this committee into the ongoing budget process. Mr. Arnold agreed that setting some priorities for the committee would be great. Mr. Taylor said that we will take this topic up again next month.

**Adjourn (1:23:17)**