

# Budget and Audit Committee Minutes

## City of Jackson

11.18.21

### I. Call to order and welcome

Chairman Paul Taylor called the meeting to order. Committee members Andrew Long, and Paul Taylor were present. Johnny Dodd, Ron Tharpe, Ross Priddy, and Mark Johnstone were absent. Also present was Lori Nunnery, with VisitJacksonTN. In attendance 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:** waiting until our next meeting to approve.

### III. Information

#### a. **FY21 Revenue Report - Bobby Arnold (00:14 – 4:28)**

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

**Report:** Mr. Arnold explained that property tax collections were up \$1.7 million compared this week same week last year. The sales tax check for November is not in yet, but we through October are up in local sales tax (up 12.4%) and state sales tax; are favorable and doing even better than local sales tax. Mr. Arnold asked Lori Nunnery to report on the Hotel-Motel tax. Ms. Nunnery said we are up 28% for September and 50% year-to-date. She said we are trending for a record-setting year in collections compared to 2019, which was our latest record-setting year.

Chairman Taylor asked Ms. Nunnery what is attributing to those numbers. She said Jackson was the only city to open a major hotel chain during the pandemic, so we had more room available. Another factor is that COVID did not play a significant factor in our local Hotel-Motel tax (Travel Industry) here in Jackson, TN. Ms. Nunnery added that Jackson is in the top 5 throughout the state of TN in tourism dollars.

**b. Internal Audit Update - Tawanika McKinney (4:29 – 11:26)**

Chairman Taylor asked Ms. McKinney to update the board on items she has been working on. Ms. McKinney said that she has been working with several departments. Animal Care Center; they are in good standing. Health & Sanitation; they have some technology/software and some Waste Management issues but have been working on getting things in order. Recreation & Parks; working on getting a Toyota grant reissued. Purchasing; working with the department heads to overhaul the process and procedures. Wage and hours issues; a training program is being developed. She also stated that she has been working with JTA, Mr. Franks, and the staff to ensure compliance with the city charter and prepare a corrective action plan.

Chairman Taylor shared that a new committee is being formed to review the City of Jackson Municipal Code and Ordinances. He stated that he and Ms. McKinney would be serving on that committee; this would be a long process. The mayor added that he is pleased with Whitney and her staff's job at the Animal Care Center. He also said they would have an upcoming budget amendment to change a part-time employee to a full-time.

**IV. Business**

**a. Zoning Ordinance Rewrite - Budget Ordinance (11:27 – 16:49)**

Chairman Taylor asked Mr. Bobby Arnold to go over the details for this amendment. Mr. Arnold said that 2015 – 2017 was the last time the master plan was updated. The previous administration had a contract to do another update to write or rewrite any ordinances. However, it was started but not finished, so a credit balance of \$77,251 remains on that contract. Mr. Taylor said that he remembers that the committee that worked on that was supposed to get a draft of the plan, but they did not get one. Mr. Taylor said he would get with Stan Pilant in Planning to see where the draft is and if it can be updated or if a new plan would be better.

**b. FY23 Budget Calendar Discussion (16:50 – 24:10)**

**i. Consolidation of Departmental Plans**

Chairman Taylor asked Mr. Bobby Arnold to update the budget to reflect the 2022 calendar year. Mr. Arnold said he could but some dates together. He added that there are a few topics that we may want to address, specifically regarding setting dates. Mr. Arnold gave the example of City Council planning for the budget, Department Budget Hearings, ARP Funding, and getting ahead of any possible debt issues; these items will need to be prioritized. Chairman Taylor said he agrees, but the Council needs to put those department plans into the budget; essentially, where we will invest and how we will get it done. Mr. Arnold added that the planning process needs to be done outside of the budget process.

**c. 5-Year Capital Plan Update (24:11 – 30:13)**

Chairman Taylor stated that last year the updated plan was done in February. The mayor added that we (the city) started with a five-year plan, then we got wind of the ARP funds; we shifted to a bare-bones plan while waiting on guidelines. So now we have ARP funds, state funds, and the Infrastructure Plan to consider before any future projects and planning can be done. Mr. Taylor said that he and Mr. Arnold have started to develop a Capital Operating Plan for those reoccurring annual items (cars, desks, turn-out suites, etc.) and plan out how to pay for those items without going into debt. The mayor and Mr. Arnold spoke about a fleet-management program. Mr. Arnold said maybe we need to redefine our capital assets policy.

**d. American Rescue Plan Local Government Distribution Planning – Mayor Conger/Paul Taylor (30:14 – 38:00)**

Chairman Taylor said he hates to sound like a broken record, but we are still waiting on the final guidelines. The mayor added that we are getting closer to writing a preliminary resolution to spend the money.

Chairman Taylor asked Mr. Arnold to give an update on the external audit. Mr. Arnold reminded everyone that we do have a new audit firm. He said the final audit is due at the state comptrollers office by December 31, 2021. They will present the audit findings to us in January or February. He said he did not anticipate any surprises and that the report would be done on time.

Chairman took a moment to introduce Fancher Sargent to the committee. He explained that Mr. Sargent would be taking Doug Roth's place on the committee as soon as City Council passes his nomination.

Chairman Taylor set the next for Thursday, December 16, 2021, at 11:00 am.

**V. Adjourn**