MINUTES

JACKSON CITY COUNCIL – BUDGET HEARING MEETING

June 23, 2020 – 9:00 A.M.

GEORGE A. SMITH MEETING ROOM

Call to Order, Invocation, Pledge of Allegiance, and Roll Call:

The Council of the City of Jackson met in a special call session on **Tuesday, June 23, 2020,** at 9:00 A.M. The Mayor gave the invocation and led the audience in the Pledge of Allegiance. The mayor then called the roll. Councilmembers Ernest Brooks II, Harvey Buchanan, David Cisco, Johnny Dodd, Russ McKelvey, Gary Pickens, Ross Priddy, Paul Taylor, and Marda Wallace were present. For the City of Jackson, Mr. Bobby Arnold, Finance, also present was Sandy Maxwell recorder of the minutes (full video of the meeting can be found at http://www.youtube.com/c/CityOfJacksonTN731).

Approval of Minutes:

The minutes for June 16, 2020, will be presented at the July 7, 2020 meeting.

Proclamations:

None

Invitation for Public Comment:

Mayor Scott Conger reminded the audience this is a public hearing, and open to public comment for opposition to or in favor of items on the first readings. Anyone is allowed to speak when the appropriate items are up for discussion.

First Readings:

None

Second Readings:

An Ordinance to establish the FY (i.e., July 1, 2020, through June 30, 2021) Operating and Capital Budget and FY 21 Property Tax Rate for the City of Jackson, TN. 2:00 – 17:53

Report: Mr. Bobby Arnold started by stating, this is the second reading of the budget ordinance to establish our budget for the FY 21 year and the property tax rate for next year. There have been a few changes since the first reading of the ordinance. I will summarize the changes and how they impact the ordinance. 1.) The elimination of some budgeted positions in the General and Solid Waste Funds have been adjusted; some furloughed employees have been called back to work earlier than projected in the budget. 2.) There were some corrections of items of omission from the budget; a couple of software were left out (GIS technology and budget software). 3.) We recognize the revenue and expense for items a grant for the police department that's been recently received.

4.) There were some changes in the Capital Outlay Fund due to the timing of capital expenditures (what is happening now and between June 30, and what needs to be carried over). To clarify, those changes do not result in any additional new item to next year's Capital Budget.

The General Fund, which is the fund impacted the most; we have an improvement in next year's operations, the deficit now is down $3,6 million from the previously proposed at over $4.2 million. There is no change in the SportsPlex or Community Development Funds. There is a change with the Solid Waste Fund with some improvement; the projected numbers for next year are down about $425,000. No changes in the Police Drug Fund, Metro Drug Fund, or the Debt Service Funds. As mentioned, the Capital Outlay Fund is a timing difference between items being approved this year and items being paid next year. Landfill Fund and Community Development Funds have no changes. On page 6, section 3 of the ordinance, no changes to our Debt Service requirements for next year. Same page, Section 4, there are a couple of new items in the Pending Capital Project. Those items were previously thought to be finalized before June 30, so some of those cash expenditures will happen next year.

The municipal court building; it has a projected carryover amount of $895,000. The Animal Care Center has had some amount of expenditure made this year, but we are still trying to determine the exact cost to shutter that project. We are also trying to determine whether that payment will be realized before June 30 or after. So conservatively, I am estimating the cost will be to shutter that project, and I am assuming that will be paid by June 30. But that's an estimate, so cautiously tweaked the balance of the budget as a carryover item for next year, so I don't think that we will be spending the entire budget. On page 7, section 7, the proposed tax rate, there is no change from our current tax rate, which is $1.961. The only difference is the distribution of those tax revenues, going to the General Fund and the Debt Service Fund only, nothing is going into capital outlay next year.

Councilmember Taylor, asked Mr. Arnold, what happens to the SportsPlex Fund, did we dissolve that going into next year. Yes, per Mr. Arnold, it's going to be consolidated with the General Fund next year, and that transaction will take effect July 1, 2020.

Councilmember Brooks said I would like to commend you (Mr. Arnold) and your office for your work, thank you for putting together the budget, as well as working with the budget committee. I want to commend the mayor and his staff for their hard work on this their first budget. Mr. Arnold, you mentioned in sections 4, Pending Capital Projects that several items were added to them. Is that correct? Mr. Arnold said yes, a couple of items that were added, I spoke to the Animal Care Center, saying last week I had projected that all of those dollars would be committed and spent by June 30, and that's not going to be the case. Another new line item is Shirley Mercer Park, the Seven Pillars Monument; again, we're rapidly approaching completion of that project. But the completion date, and paying the final bills won't be finalized before June 30, 2020, so it became a carryover item.

Councilmember Taylor added that it also looks like you moved up from the state grant into the capital to assign that to street resurfacing as well. Mr. Arnold said that's correct, it is reflected in a different line. Councilmember Brooks asked does this budget provide for all of our full-time furlough employees to come back. Per the mayor, no. What about our part-time employees? The mayor said the seasonal ones would go back next year for programs like summer camp. And some part-time employees have been brought back for the SportsPlex but on an as-needed basis. Councilmember Brooks added as we move forward past this year into the next year and beyond; we do have some challenges, but this Council is ultimately going to have to have the courage to address revenue. This year we borrowed money; we dip into our Rainy Day Fund, and we've cut department budgets across the board, so seriously have to address revenue. And it's going to take us courageous decisions moving forward. Thank you very much.

Councilmember Buchanan said I commend Mr. Arnold, and the department heads, for putting together a budget while dealing with a potential pandemic. Even though we don't have the figures yet, on the sales tax collections, I still think we are going to see some good things happening there. The essential services, like the garbage and brush pickup, are being met in a timely manner, the street resurfacing that's going on now, the essential services have not been interrupted. We're looking forward to bigger and better things. And we're praying and hoping that another pandemic does not occur. But if it does, we must be ready. I'm curious, as Councilman Brooks to see what our revenue will be in the next six to eight months.

Councilmember Buchanan made a motion, seconded by Councilmember Brooks, to approve the agenda item as submitted. Upon a call for a vote, all voted aye, except Councilmember Priddy voted nay, and the motion passed 8 – 1.

New Business:

None

ADJOURN.

Scott Conger

SCOTT CONGER, MAYOR