



**FINANCE COMMITTEE MINUTES  
Wednesday, May 17, 2017, 2:00 P.M.**

Present: Committee Members: Chairperson, Melvin Priester, Jr.; Ashby Foote, Vice Chair and De'Keither Stamps. Directors: Kristi Moore, City Clerk; Angela Harris, Deputy City Clerk and Monica Joiner, City Attorney.

Absent: Tyrone Hendrix, President; Charles Tillman; Margaret Barrett-Simon and Kenneth I. Stokes.

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The meeting was called to order by **Chairperson, Melvin Priester, Jr.** with no quorum present.

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**Chairperson Priester** recognized **Michelle Day**, Interim Director of Administration, who provided Council with a brief overview of the City's 2<sup>nd</sup> Quarter Budget.

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**Director Day** provided the following information regarding Revenue for the 2<sup>nd</sup> Quarter Budget:

- General Fund revenues through this period are at 60.34% overall or \$73,804,832 compared to 58.22% collection (\$72,707,492) in prior year.
- Revenue collections in Admissions, Fees and Rentals are 53.94%, however, Licenses and Permits are at 35.52% and Fines and Forfeitures are at 37.11%. Intergovernmental-State is at 38368%, or \$13,631,466 collected.
  - Intergovernmental-State is where the Pro Rata State Sales Tax revenue is reflected; these collections have lagged during the first half of the fiscal year and compared to \$17,446,098 in the prior year. The City reached out to the MS Department of Revenue to pinpoint the cause of the lag; however, no definitive answer was obtained to identify a reason for the decline.
  - Admissions, Fees and Rentals and Fines & Forfeitures revenue levels are also below the initial forecast. As a result, all revenue categories have been reviewed and adjusted to levels that we anticipate will be collected prior to the end of the fiscal year. These adjustments will require a \$1.2 million dollar reduction to the FY17 budget.
  - General Property taxes are at 79.15% or \$47,902,086 collected. Most of this revenue is received in February, with another surge around August after the tax sales are completed.

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**Director Day** provided the following information regarding Expenditures:

- The operating expenditures for the city as a whole are at 43.32% of the budget at the end of the quarter.
- All the departments were below the 50% category overall.
- Supplies and Materials and Other Services and Charges are up in Administration due to costs associated with the relocation of the Police Department’s Communication Division.
  - Human & Cultural’s Other Services and Charges and Capital Outlay are higher to expenditures made upfront and other expenditures would be maintained to stay in line with the budget.
  - The Fire Department’s Capital Outlay was up due to a lease payment.

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**Director Day** provided the following information regarding Parks and Recreation:

- Parks & Recreation primary funding is provided by a 2 mill annual property tax levy, collections of admissions, fees and concessions and a General Fund appropriation. The Parks & Recreation general fund appropriation has been reduced for the past two years in an attempt to minimize the amount of general fund financial support:

<u>Year</u>	<u>General Fund Appropriation</u>
FY15	\$3.4 million
FY16	\$1.5 million
FY17	\$638 thousand

- The projected fund balance at September 30, 2016 was approximately \$1.5 million. Due to a reduction of revenues, the Parks & Recreation department has a shortage of (1,249,529).

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**Director Day** provided the following information regarding Overtime:

- Administration is at 59%
- Police Department is 55%
- The City overall is 49%

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**Director Day** stated that the following departments require a draw on the fund balance:

- Police - \$75,000- Reimbursement for the Mississippi Law Enforcement Officer's Training Academy (MLEOTA). These funds were not received prior to the end of the fiscal year and should have been re-budgeted in FY17.
- \$76,857- For the purchase of bottled water used during the emergency water outage in March 2017.
- Fire- \$45,560- Settlement of an insurance claim for damage to Fire Engine 21. These funds were not received prior to the end of the fiscal year and should have been re-budgeted in FY17.
- \$446,175- The expense of the new fire truck at Station 10 (Jackson Medical Mall) was encumbered in FY16 with the expectation that the truck would be delivered and that payment would be made prior to the end of the fiscal year. The truck was not delivered prior to September 30, 2016; these funds should have been re-budgeted in FY17.
  - \$25,619- For the purchase of bottled water by the Fire Department during the emergency water outage in March 2017.
- Public Works- \$117,000- For the demolition and removal of three structures identified as a hazard public safety.
- Parks & Recreation- \$2,265- For the rental of portable toilets used during the emergency water outage in March 2017.
- Overall total requested is \$788,476

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There being no further business to come before the committee, the meeting stood adjourned at 3:42 p.m.