



**FINANCE COMMITTEE MINUTES**  
**Monday, August 12, 2019 1:00 P.M.**

Present: Committee Members: Chairperson, Melvin Priester, Jr., Chair; Ashby Foote, Vice Chair, De’Keither Stamps; Charles Tillman; Aaron Banks and Virgi Lindsay, Council President. Directors: Dr. Robert Blaine, Chief Administrative Officer; Kristi Moore, City Clerk; Sabrina Shelby, Deputy City Clerk and Monica Allen, Special Assistant to the City Attorney.

Absent: None.

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The meeting was called to order by **Chairperson, Melvin Priester, Jr.**

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**DISCUSSION: PRESENTATION OF FY 2020 BUDGET:** Chairperson Priester recognized **LaaWanda Horton**, Director of Administration, who presented Council with the proposed FY2019-2020 City of Jackson Budget. **Director Horton** stated the following:

- The proposed FY20 budget does the following:
  - Maintains the tax rate at its FY19 level
  - Invests in training for the people that work for the City
  - Invests in technology to create efficiencies and growth
  - Invests in public safety with new classes for Police & Fire departments
  - Invests in transportation infrastructure to stimulate growth
  - Invests in planning (capital, financial and strategic) to stimulate growth
  - Invests in our youth through the expansion of summer employment programs
  - Invests in our community through competitive opportunities to bring our citizens together
- Summary of changes in fixed costs
  - Pension costs increased by \$1,230,956
  - Insurance costs increased by \$2,018,236
  - Debt service increased by \$2,825,730
- On Saturday, July 21, 2019 citizens from across the City engaged in a thoughtful planning process for the FY2020 budget. They recommended initiatives in the following categories:
  - Healthy citizens
  - Affordable homes in safe communities
  - A thriving educational system
  - Occupational opportunities in a growing tax base
  - A City that is open and welcoming to visitors
- Mayor Lumumba’s FY20 proposed budget provided funding and/or support to the following initiatives proposed by citizens:
  - Credible Messenger Program (Human & Cultural Services)
  - Water & Sewer Billing fixes (General Fund/W&S Enterprise)
  - Consent Decree (Water & Sewer Enterprise)
  - Youth Programs (General Government)
  - High-Speed Broadband (Administration)



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- ERP System (Administration)
- Small Business Program (Planning & Development)
- Downtown Development (Legal/Planning & Development)
- Fix Roads (Public Works)
- Look at items that impact revenues (Administration)
- Debt Service
  - Debt service payments will increase by 24% (\$2,825,730) over FY19. Total debt service for FY19 was \$11,831,746. In FY20, debt service will be \$14,657,476.
- Assessed Valuations
  - The City of Jackson experienced growth in property valuations in under the Lumumba Administration. The preliminary assessed values show 4.3% growth, with an increase in assessed value of \$52,815,005.
- Tax Millage
  - The increases in debt service, pensions and medical were absorbed by modest cuts and the use on non-recurring revenues. This proposed budget does not include an increase in the tax rate.
- Tax Revenue
  - Based on the millage calculations, there will be more property tax revenue available for the General Fund in FY20.
- General Fund Revenue & Sub Funds
  - General Property Taxes- \$3,765,785.00 increase (due to the millage)
  - Fines and Forfeitures- \$31,000 increases (due to adjusting the FY20 budget)
  - Intergovernmental-Federal- (\$34,000.00) decrease (due to grant decrease)
  - Intergovernmental-State- (\$1,839,525.00) decrease (sales tax and proposed internet sales)
  - Admissions, Fee, Rentals- \$198,583.00 increase (due to tower rentals upgrades)
  - Interest Earned on Investment- (\$4,434,150.00) due to purchase of ERP system and lease payments will begin in January 2020
  - Applied Fund Balance- \$917,640.00 (used to balance Fund 1)
  - Operating Transfers In- \$353,481.00 (used to gives funds to other funds)
  - Total Revenues- (\$925,727.00) decrease
- Technology Fund Revenues
  - The decrease in technology revenues is due to the reduction of \$4,000,000 for the ERP system that was funded through a master lease agreement in FY19.
- Parks and Recreation Fund
  - \$240,952.00 increase due to property millage
- Disability Relief Fund
  - (\$78,929.00) decrease
- Employers Group Insurance
  - \$1,000,067.00
- Grand Gulf Emergency Planning Fund
  - \$155,481.00 (Ten percent of the revenues for this fund have been set aside for the corridor)
- Landfill/Sanitation Fund
  - \$389,561.00 increase



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- Water/Sewer Revenue Fund
  - Revenues for this fund have been adjusted to align with recent performance trends. Corrective action is underway that should further improve performance during FY20.
- Water/Sewer Ops & Maintenance Fund
  - \$28,474,440.00 increase (due to \$30 million dollar SRF loan to upgrade the Savannah Street Wastewater Treatment Plant)
- Water/Sewer Capital Improvement Fund
  - \$25,943,840.00 (\$30 million dollar SRF loan was transferred to this fund)
- Revenue Collections thru 3Q19

	FY18	FY19
Total Water Sewer Billings thru Quarter 3	\$49,534,609.00	\$46,427,463
Total Water Sewer Collections thru Quarter 3	\$34,278,518.79	\$41,101,725

The Water/Sewer collection rate has improved over FY18. On average during the current fiscal year, Water Sewer billed \$5,158,607 per month and collected \$4,566,858 per month. The collection rate for Water Sewer thru 3Q19 is 88.5% up from 69.20% for the same period last year.

- Comparative Billing and Collections
  - Average monthly billing has continued to decline, falling y an additional 7% in the current fiscal year.
  - Average monthly collections have increased by 20% over the same period last year.
- FY2019 Budget vs. Actual Revenues

FY2019 Budge Revenues	\$58,864,113
Total Water Sewer collections thru 3Q19	\$41,101,725
Collections as a percentage of Budget	69.82%

With 75% of the fiscal year passed, Water Sewer has collected nearly 70% of the projected revenue for FY2019.

- Anticipated Billing and Revenue Collections FY2019

FY2019 Anticipated Billings	\$64,589,624
FY2019 Anticipated Collections	\$56,167,890
Anticipated FY2019 Collection Rate	86.96%

Assuming that billing and collections stay at their current levels for 4Q19, Water Sewer should end the year with an 86.96% collection rate. Most importantly, total revenues are projected to be \$56.1M.

- Reserve Target

General Fund Reserve	Available Fund Balance
Fund Balance as of September 30, 2018	\$25,731,748.00
Projected Interfund Loan to Water/Sewer	\$7,724,499.00
Projected Interfund Loan to Sanitation	\$4,890,301.00
Applied Fund Balance for FY19 Budget	\$2,824,284.00
Projected Fund Balance as of October 1, 2018	\$10,292,664.00
Required Fund Balance (7.5%)	\$8,647,066.00
Projected Balance Above Required	\$1,645,598.00

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**Chairperson Priester** recognized **Dr. Robert Blaine**, Chief Administrative Officer, who provided a presentation entitled “Investing in Growth”. Dr. Blaine stated the following:

- The 2018-2019 Budget reflected on aligning the budget with strategic investment & visioning to bolster & sustain growth.
- What is and what would the inflection point look like:
  - Deficit and surplus
  - Foundation for new technology to increase productivity, creating a pathway for future growth.
  - Created a 0.3% growth in property valuations in 2018
- Citizens priorities for participatory budgeting are focused on the following:
  - Water/Sewer Billing system fixes
  - Renegotiation of the Consent Decree
  - Communications focused on billing
- The process of water/sewer billing system fixes are categorized in three steps:
  - Billing System (lift, shift & enhance)
  - WSBA Organization (redevelopment of the business operations)
  - Mesh Network operations (all around field operations)
- Crime Dashboard shows crimes by categories from years 2000-2017.
- Credible Messenger Program will be comprised of credible messengers that are community members & mentors with relevant life experiences & “social capital” to give them the authority to challenge and transform the thinking, attitudes, and behaviors of others.
- Another goal is to focus on a thriving educational system
  - Early childhood education
  - Excellence in K-12 Education
  - Durable Bridge to Higher Education & the Work Force (partnerships has been established with the Kellogg Foundation and the Aspen Institute)
- Occupational Opportunities in a Growing Tax Base:
  - New technology- (High-speed broadband)
  - Greater efficiency (Enterprise Resource Planning- ERP System)
  - Growth of new businesses- (Small Business Program)
  - Downtown Development
  - Infrastructure Projects

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After a thorough discussion and there being no further business to come before the committee, the meeting stood adjourned at 2:49 p.m.