

[www.jacksonsun.com /story/news/local/government/2019/10/17/jackson-city-finances-disarray-mayor-jerry-gist-pt-1/39...](http://www.jacksonsun.com/story/news/local/government/2019/10/17/jackson-city-finances-disarray-mayor-jerry-gist-pt-1/39...)

## How Jackson's city finances fell into disarray, Part 1: Operating with 'no plan at all'

Adam Friedman, Jackson Sun

6-8 minutes

---

*This is part one of the Jackson Sun's three-part series on the city of Jackson's financial situation. This subscriber-exclusive content — thank you for supporting local journalism. For more of this story, read [part two](#) and [part three](#).*

Former Jackson Mayor Jerry Gist did no favors for his successor when he left office in July. He left the newly-elected Scott Conger, as well as Conger's administration, maxed out on debt, drained of extra revenue sources and burdened with projects costing millions for years to come.

Despite the almost \$23 million more in revenue the city has collected in 2018 compared to 2009, it can't afford something as simple as repaving roads without borrowing more money. This is thanks in part [to its \\$87.7 million of debt](#); its construction of a \$2.1 million tennis complex; the over \$600,000 it will cost the city annually to maintain the new animal care center; and the [\\$3 million subsidy the city has been giving to Waste Management](#).

Department heads claimed they were afraid to challenge Gist or his administrative assistant Sam Dawson for fear of losing their jobs. City council members failed to dive deeper into budgets and question the constantly changing numbers. And those hired to provide final checks failed to sound the alarm on questionable spending practices.

The Jackson Sun and USA TODAY Network - Tennessee examined hundreds of city documents for this article, including 20 years worth of city audits and 12 years of budget amendments. The documents in question reveal a pattern of overfunding nonessential projects as well as deliberate complexities that made it so only professionals could discern what was taking place.

The Sun also spoke to both former and current city officials for this story. Gist and Dawson declined to comment.

**JACKSON'S FINANCES:** [Six key takeaways from our investigation](#)

### Setting a baseline for the city

Jackson's tax revenue has grown above the [rate of inflation over the past decade](#). The city collected \$75.59 million from its tax sources in 2009 and brought in \$98.56 million in 2018.

Despite the increasing revenue, the city has managed to run [a deficit in five of the past 10 years](#). It has been able to maintain a healthy general fund balance of \$17.2 million, but most of that surplus is due in part to the overcollection of garbage fees, according to city audit records.

The city of Jackson was [\\$87.7 million in debt when Gist left office](#) earlier this year, meaning at the time, roughly one of every four of property tax dollars was directed to paying down debt. This ratio is expected to remain the same for the next four years barring a significant increase in property values during the 2022 reappraisal.

Around \$10 million will be paid annually between 2019 and 2024, with the number dropping to \$4.5 million and less from 2025 and beyond.

"The next five years are the most critical years for the city," Councilman Paul Taylor Jackson, chair of the city budget committee, said. "Our belts will have to be tightened and we're going to have to suck it up to get through the next five years."

Taylor, who was elected to the council in May, was appointed chairman of the budget committee when Conger resurrected it in July.

The city had formed a budget committee just once under Gist, when it was tasked with addressing Jackson's growing deficit.

The committee refused to let Gist pass a budget with a multi-million dollar deficit, so it made the controversial decision to recoup the \$6 million in sales tax money the city had been sending to Madison County as part of the school consolidation agreement from the 1990s.

"It was never about finding out why they were spending so much money," Taylor said. "It was about finding other cash revenue sources."

The 2017 budget committee at the time was made up of city council members Randy Wallace, Conger, Ernest Brooks and citizens Dennis Henderson and Jimmy Exum.

Conger declined to comment on any past financial transactions occurring while he was on the council, stating he didn't want to "armchair quarterback" the past.

The Jackson Sun reached out to Brooks on multiple occasions, but he was unavailable for comment.

Wallace said despite controversial decisions, the committee was something the city "needed" to continue due to its spending. However, the committee was disbanded after the sales tax recoup.

"It was probably because Mayor Gist wanted a little more control," Wallace said. "I guess he wanted the city to run more like how he felt it should run, rather than having a committee tell him how it should be run."

## How Jackson was run

The hierarchy under Gist consisted of himself and Dawson at the top, with City Recorder Al Laffoon and city Finance Director Karen Bell working at his will.

Bell had been with the city since 1995, starting as the internal auditor for former Mayor Charles Farmer and working her way up to finance director. She left in June of this year to become finance director for Madison County.

Bell was critical of herself and the way the city operated. She said she felt she should have done more but was afraid to lose her job. Her position, she said, could have been terminated by the mayor at any time.

When it came to city operations, Bell said she was often "sidelined" by the mayor because of her opinions; her biggest critique of Gist, she said, was how he operated with "no plan at all."

"There was no prioritization of what we were going to get done or what we wanted to accomplish," she said. "With Mayor Gist, he heard what group was hollering the loudest. That's why (for example) Airways (Boulevard) isn't paved."

Laffoon is the only remaining city employee of the four. Toward the end of the Gist administration, Laffoon was critical of the city's spending on "luxury" items, such as the new tennis complex, city court and animal care center, as well as excess spending at the Jackson Generals ballpark.

The former three projects are amongst the latest the city has undertaken. The city constantly moved money originally meant for other initiatives to fund these projects, hiding their true final costs.

In 2018, for example, the city moved \$115,000 meant for the Highland Sidewalks fund to an account to pay for pickleball courts, without notification or approval from the council.

[Continue reading part two.](#)

Reach Adam Friedman by email at [afriedman@jacksonsun.com](mailto:afriedman@jacksonsun.com), by phone at 731-431-8517 or follow him on Twitter [@friedmanadam5](https://twitter.com/friedmanadam5).

Dig Deeper

News on the city of Jackson