



Justin P. Wilson, Comptroller

March 27, 2018

City of Jellico Improves Financial Condition

The Tennessee Comptroller's Office is pleased to recognize the City of Jellico in Campbell County for the significant progress it has made in improving its financial condition.

When the Comptroller's Office began working with the city in 2012, the city was experiencing declining revenues, excessive spending, and a former employee had stolen nearly \$100,000.

In early 2014, Jellico issued a \$850,000 funding bond and used the proceeds to pay off its delinquent obligations and restructure its outstanding debt; however, the city's overspending continued.

In September 2013, the Comptroller's Office took the unusual step of requiring Jellico to submit weekly spending requests to the Comptroller for approval. The Comptroller's Office also worked with the city to develop a balanced budget.

In late 2014, Jellico residents elected a new Mayor and several new City Council members. Since that time, the city has taken substantial steps to control its spending and build cash reserves which can be used to provide services for its citizens.

Earlier this year, Jellico refinanced its funding bond with more favorable terms. This will save Jellico taxpayers more than \$500,000 in interest expense and will shorten the city's debt repayment schedule by five years.

"Jellico residents should be proud of the leadership and resolve that has been demonstrated in this situation," said Comptroller Justin P. Wilson. "It wasn't long ago that Jellico had one of the worst financial conditions in Tennessee. Now it can be used as an example of what can be achieved when people come together to fix problems and make tough decisions. Well done."

Although Jellico is no longer subject to weekly monitoring by the Comptroller's Office, it continues to have a working relationship with the office.

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