

**BUDGET COMMITTEE
CARTER COUNTY, TN**

**January 10, 2022
6:00 P.M.**

PRESENT: Willie Campbell, Aaron Frazier, Ross Garland, Julie Guinn, Travis Hill, Austin Jaynes, Brad Johnson, Robin McKamey

ABSENT: N/A

CALL TO ORDER: Austin Jaynes

ROLL CALL: Quorum Present

APPROVAL OF AGENDA: No changes were requested to the meeting agenda. Motion was made by Travis Hill, seconded by Robin McKamey to approve the agenda as proposed. By a voice roll call vote, motion carried.

APPROVAL OF MINUTES: A correction was noted for the December 6, 2021 Meeting Minutes. Motion was made by Willie Campbell, seconded by Julie Guinn to approve the minutes as corrected, of the December 6, 2021, meeting. By a voice roll call vote, motion carried.

PUBLIC COMMENTS: Chairman Jaynes opened the meeting for public comments.

Sheriff Dexter Lunceford stepped forward with a box containing copies of signed payrolls dating back to 2016. He showed them to Chairman Jaynes before giving the box to Director of Finance Carolyn Watson, and noted that they kept until the audit is done.

OLD BUSINESS: Chairman Jaynes noted that there is no business carried over from prior meetings.

NEW BUSINESS: Ms. Martha Dixon from Upper East Tennessee Human Development Agency was invited to the podium. She thanked the Commission and Carter County for their support of the agency's programs over the years. The County contributed \$4,000.00 to the agency's RSVP Program, which is being closed in March. Ms. Dixon requested that the Commission grant approval for UETHDA to use the funds for its Housing Services program, which provides support to county residents in need of funding assistance to pay for rent, electric and water expenses. Aaron Frazier made a motion to reallocate the \$4,000.00 contribution to the UETHDA Housing Services Program. Willie Campbell was second. With no further discussion presented, Chairman Jaynes called for a roll call vote. Those voting in favor were Willie Campbell, Aaron Frazier, Ross Garland, Julie Guinn, Travis Hill, Austin Jaynes, Brad Johnson and Robin McKamey. Austin Jaynes abstained. There were no dissenting votes. Motion passed. Ms. Dixon requested confirmation in writing, which Chairman Jaynes noted can be provided following the Commission meeting to be held January 18, 2022.

Assistant Chief Kenneth Arnold of the Stoney Creek Volunteer Fire Department, accompanied by Benny Lyons, came forward to review the District's plans to build a new firehouse in Hampton. They have purchased the land for the building and raised approximately \$90,000 towards the construction, which includes the \$25,000 already contributed by the County. He passed around the architectural plans for

the four (4) bay station, which will include a kitchen and meeting space for training and community events, as well as for rent to residents. The bays and parking lot are will allow for pull through of the fire trucks and to accommodate a ladder truck if the County acquires one in the future. The total cost of the building is about \$446,000. Chairman Jaynes asked how much of this the department is requesting from the County. No specific number was given and a discussion ensued about the ARPA funding guidance that was just released. Chairman Jaynes noted that this project can be added to the list of items being considered for ARPA funds. The Department would like to have most of the funds already committed or in the bank before starting the project so the project has not been started yet. Travis Hill noted that ARPA funds must be appropriated by 2024 and expensed by 2026 so this timeframe works. Additional questions were asked and answered about the building and substations. Aaron Frazier made a motion to appropriate \$150,000.00 from ARPA funds if approved or from the Unassigned Fund Balance if ARPA funds were not approved for the project. Robin McKamey was second. With no further discussion presented, Chairman Jaynes called for a roll call vote. Those voting in favor were Willie Campbell, Aaron Frazier, Ross Garland, Julie Guinn, Travis Hill, Austin Jaynes, Brad Johnson and Robin McKamey. There were no dissenting votes. Motion passed.

Next, the Committee reviewed the letter of request from Families Free for \$7,500.00 from the reserved funds of the Opioid Settlement. Mayor Patty Woodby stated that the funds would be used for analysis of the work camp project and the cost to start up the residential treatment facility. Ongoing operations would be then assumed and paid for by the TN Department of Mental Health. Chairman Jaynes asked if other counties are helping to pay for this. Mayor Woodby responded that since Carter County was taking a leadership role in the project start that the request was made to Carter County. Seven other counties and municipalities are planning to contribute but we are the first to have reserved funds. Ross Garland requested that when we speak of the project, that we note our early support of the \$7,500 and the reserved funds. Travis Hill made a motion to appropriate \$7,500 for Families Free to develop an initial operating budget, to come from the reserved Opioid Funds. Aaron Frazier was second. Some discussion ensued, with Brad Johnson noting that this purpose was not exactly what was described in the letter, which was for grant writing and consulting for training. Mayor Woodby said it was all related to the work camp project. Chairman Jaynes called for a roll call vote. Those voting in favor were Willie Campbell, Aaron Frazier, Ross Garland, Julie Guinn, Travis Hill, Austin Jaynes, Brad Johnson and Robin McKamey. There were no dissenting votes. Motion passed.

Chief James Parrish then came forward to discuss the salaries for Carter County Correction Officers, particularly in light of the recent announcement by the Tennessee Department of Corrections to substantially increase base pay rates for their officers. With counties and municipalities competing for the same applicants, Carter County is very disadvantaged. The staff shortage is now at a critical level, with 22 vacancies and eight Jailers out due to COVID. The problems is twofold, trying to get applicants in the door and then to retain employees, which has been an ongoing discussion since the spring of 2020. He further noted that the state and federal contracts to house inmates might need to be let go. These contracts have served to reduce the impact on the County budget. The situation has gone from a challenge to a crisis and is not sustainable. He thanked the Committee and the Commission for their ideas and support, as well as the 4% raise and the Christmas bonus, which was very well received.

Chief Parrish then passed out a written plan for improving the compensation of the Correction Officers, the first item of which was the Christmas Bonus. Following this, there were four action items as follows:

1. Jailer Training Supplement Pay – to provide an \$800 supplement to officers that maintain their required annual TCI certification (similar to what patrol officers receive), with funding to come from the Commissary or Surplus Board Bill reserve account.
2. COVID Hazardous Duty Pay – as outlined in the attached draft policy, this would be to pay premium pay from ARPA funds; Sheriff Department employees are 3.5 times more likely to contract COVID than the general population.
3. Signing, Recruiting and Retention Bonuses – as outlined to pay a recruiting and retention bonus, with funding to come from unspent salary lines.
4. Pay Increase – the current Jailer starting wage is \$12.02 per hour, about \$3.00 lower than surrounding counties and well below the state’s pay rate.

Also included in the handout was a graph depicting the 22% gap from 2006 through 2021, which compared the US Bureau of Labor & Statistics Cost of Living Increase to the Carter County Pay Increases. He noted this impacts employees countywide. Chief Parrish then requested that the Department be allowed to use the budgeted monies they already have to properly address the situation.

Travis Hill asked if this would be done yearly? Chief Parrish responded no, and said these are measures while this emergency exists. Sheriff Lunceford interjected that if the hourly rate was increased, then all employees will need an increase. Having been asked how much this would cost, Chief Parrish responded that on just the jail side, every 1% increase costs approximately \$12,000. Willie Campbell noted that this should all be going through committees. Chairman Jaynes said that since Budget Committee oversees the budget and spending, this committee is the right place, with Financial Management Committee setting policy.

Brad Johnson then questioned Chief Parrish about the prior issues with pay increases and bonuses. Chief Parrish acknowledged that the temporary raises issued in June were not satisfactory but that he followed the direction of the former Finance Director. They were not satisfied because not all the monies could be used from every line. He said it would not be done again this way and that going forward he would work to make things right.

Chairman Austin Jaynes then noted to all present that the COVID ARP Funds would be expended only through a formal process. He noted that the Financial Management Committee had set up a policy (this morning) for priorities to be developed by the Health and Welfare Committee, after which projects would be referred to Financial Management for review against this priority list and to verify the expenditure is allowable, then the project would move forward to Budget and then to the full Commission for approval. He cautioned that at any step along the way, the project could be sent back for further review, more details, etc. The County has already reserved a lot of the funds, such as for the Broadband project and most likely for the Communications project, and even with the second installment arriving in the spring; it is not a lot of money.

The Chairman then brought the attention back to the matter at hand and suggested that the Committee address each of the four items one-at-a time. He then stated that the matter of the COVID Hazardous Pay would not be answered tonight. The Signing, Recruiting and Retention Bonus policy needs work. Chief Parrish requested help with crafting the policy with the Finance Department and payroll technicians.

Travis Hill said that while these initiatives are good, in his experience a higher wage is better because it is ongoing. A discussion ensued about the number of open positions, which numbers are on the handout. There are 22 vacancies in the Jail, 2 open Dispatcher positions, and three open Patrol Officer positions, so the Department overall is staffed at about 79%.

The Jailer Training Supplement Pay was discussed briefly. Travis Hill made a motion for an \$800 supplement to be paid to Jailers annually from the Sheriff reserve account as outlined in the proposed plan. Julie Guinn was second. Chairman Jaynes called for a roll call vote. Those voting in favor were Aaron Frazier, Ross Garland, Julie Guinn, Travis Hill, Austin Jaynes, and Robin McKamey. Dissenting votes were cast by Willie Campbell and Brad Johnson. Motion passed.

Chairman Jaynes noted that if necessary, the contracts could be ended to house outside inmates which would reduce the inmate population and make the staffing rations safer. Chief Parrish noted that this is something that would have to be decided by the County after a review of the financial impact, since the costs to operate the building still remain. Sheriff Lunceford noted the Jail loan payment as well. As noted in the prior meeting, the department is negotiating these contracts to secure a better daily rate.

The safety of the employees is a concern to many commissioners and the current personnel are overworked. Several employees recently quit and went to work for Sullivan County. Various other items were then discussed, such as staffing shortages in emergency services and units not being available. Much discussion ensued about the ARPA funds. Brad Johnson then referred back to the process recently established. Director of Finance Carolyn Watson noted that these funds are "one-time only" and that funds available should be spend to solve long-term issues. Aaron Frazier then calculated that a 21% raise in the Sheriff Department across the board would cost at least \$1 million. Carolyn Watson noted that the salary study will be starting soon and would help with looking at all pay scales.

Mayor Woodby said that we do not have time to wait any further, with the employees so far behind the state median pay. These folks are making decisions to take care of their families. The Committee asked for a report detailing the cost for a 5, 10, 15 and 20% increases across the Board, with Sheriff Lunceford again noting that this had to be implemented for every position. He asked for a 10% raise right now to be expensed in each pay line. The matter of the temporary raises was again raised, which Chairman Jaynes noted is being reviewed by the Financial Management Committee.

Travis Hill made a motion to grant a 10% pay raise across the board for all Sheriff Department employees, with the caveat that it is to be reviewed by the County Attorney, before next week's full Commission meeting. Ross Garland was second. There was no further discussion. Chairman Jaynes called for a roll call vote. Those voting in favor were Willie Campbell, Aaron Frazier, Ross Garland, Julie Guinn, Travis Hill, Austin Jaynes, Brad Johnson and Robin McKamey. There were no dissenting votes. Motion passed.

The committee took a ten-minute break and reconvened at 8:00 pm.

Ken Gouge represented the Parks and Rec Department and detailed some history regarding the department's budget. He had always been assured that unexpended funds were carried over into the next budget each year, and this year the committee had assumed this would be the case when they developed a spending plan. In working with the Director of Finance, they discovered this was not the case and the budget for this year is \$81,670, leaving them over \$78,000 short. The problem will be even

worse next year, with plans to finish Gap Creek Park and continue working on the Tweetsie Trail Extension. The situation is made more difficult because they are a “quasi-government” entity, and not a staffed department of the county or an outside agency. Aaron Frazier noted that it unlikely a reserve fund account could be established either. Brad Johnson asked about projects that currently in progress in the winter and Ken Gouge noted that the work is being done now on the pedestrian bridge that was set in place last month. Mayor Woodby reported that they had recently asked the Governor for funding for parks. Brad Johnson asked about the problems with understanding the requisition and purchase order process. Ken Gouge said that they fully understand the process now and that it will no longer be a problem.

Ross Garland made a motion to appropriate \$78,330, to be placed in the budget of Parks and Rec for 2021-2022 for expenses planned for the year. Aaron Frazier was second. There was no further discussion. Chairman Jaynes called for a roll call vote. Those voting in favor were Willie Campbell, Aaron Frazier, Ross Garland, Julie Guinn, Travis Hill, Austin Jaynes, Brad Johnson and Robin McKamey. There were no dissenting votes. Motion passed.

The committee then reviewed the resolution authorizing the Capital Outlay Note and the terms of the Note, which is for the General Debt fund to loan \$502,000 to the Landfill to purchase three heavy equipment vehicles. Aaron Frazier made a motion to approve the resolution and note. Julie Guinn was second. Chairman Jaynes called for a voice roll call vote, as there was no discussion. There were no dissenting votes. Motion passed.

Budget Amendments: Motion was made by Ross Garland to approve General Fund #101 budget amendment #7 (items #1-6) for a total of \$307,540.00, with \$220,000 coming from Fund Balance and \$7,500 coming from the Unassigned Fund Balance. Aaron Frazier was second. By a roll call vote of all ayes, motion carried.

Motion was made by Travis Hill to approve Highway Fund #131 budget amendment #4 (item #1) for a total of \$50,000, with nothing coming from this fund’s Unassigned Fund Balance. Ross Garland was second. By a roll call vote of all ayes, motion carried.

Motion was made by Aaron Frazier to approve General Purpose School Fund #141 budget amendment #7 (items #1-2) in the amount of \$65,000 with nothing coming from this funds Unassigned Fund Balance. Ross Garland was second. A discussion ensued about the travel line item. Chairman Jaynes called for a roll call vote. Those voting in favor were Willie Campbell, Aaron Frazier, Ross Garland, Julie Guinn, Austin Jaynes, Brad Johnson and Robin McKamey. Travis Hill cast a dissenting vote. Motion passed.

Motion was made by Willie Campbell to approve School Federal Projects Fund #142 budget amendment #7 (items #1-2) for a total of \$229,351.66, with nothing coming from this funds Unassigned Fund Balance. Travis Hill was second. During discussion, it was noted that item #2 is a budget amendment of ESSER 2.0 funds to reallocate funds between major categories for this grant. By a roll call vote of all ayes, motion carried.

Motion was made by **Travis Hill** to approve Food Service Fund #145 budget amendment #1 (item #1) to reallocate funds between major categories in the amount of \$29,300.00, with nothing coming from this funds Unassigned Fund Balance. Robin McKamey was second. By a roll call vote of all ayes, motion carried.

Motion was made by Aaron Frazier to approve the following monetary donations to the Animal Shelter in the amount of \$2,486.00. Julie Guinn was second. By a roll call vote of all ayes, motion carried.

Motion was made by Ross Garland to approve the non-monetary donation of \$380.13 by Walmart to the Animal Shelter. Travis Hill was second. By a roll call vote of all ayes, motion carried.

Aaron Frazier reported that there will be a Nominating Committee meeting next month with items on the agenda.

Julie Guinn then made a motion to adjourn the meeting at 8:35 pm. Aaron Frazier was second. By a roll call vote of all ayes, motion carried.

Respectfully submitted:

Approved for Entry:

Audra Gerty

Austin Jaynes, Chairman