

**BUDGET COMMITTEE
CARTER COUNTY, TN**

SPECIAL CALLED MEETING
January 31, 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

Chairman Jaynes called the meeting to order at 6:05 pm and welcomed everyone. Numerous persons were in attendance, including several Commissioners, department heads, employees, and residents.

APPROVAL OF AGENDA:

No changes were requested to the meeting agenda. Motion was made by Travis Hill, seconded by Aaron Frazier to approve the agenda as proposed. By a voice roll call vote, motion carried.

NEW BUSINESS:

Chairman Jaynes stated that the purpose of this special called meeting is to review and discuss the Carter County employee wage levels and to consider potential increases. Therefore, there is no old business to consider.

He noted that Carolyn Watson, Director of Finance, had distributed a sheet outlining multiple scenarios for consideration. She was then asked to review the information. She began by explaining that there are four options to provide employees with wage increases, which are as follows:

1. Sliding Scale – to provide a percentage-based wage increase based on an employee’s current wage, broken out into four scales in consideration of the County’s current median wage of approximately \$35,000 / year.
2. Straight 10% to all employees
3. Straight 5% to all employees
4. Flat amount of \$2,000 to all full-time employees and \$1,000 to all part-time employees

The total expense for each of these four options is then projected into four columns, one for the balance of this fiscal year through June 30, then next fiscal year 2022-2023 with no additional changes, the next fiscal year 2022-2023 assuming an additional 2% cost-of-living adjustment is provided, and lastly the next fiscal year 2022-2023 assuming a \$1,000 cost-of-living adjustment is provided to full-time employees and a \$500 cost-of-living adjustment is provided to part-time employees. Each column further details the wage expense, employer taxes, retirement expense and total expense.

If the Commission awards an additional cost-of living increase, the total of this expenditure would be in addition to any action taken now.

She explained that since the Sheriff Department had requested the increase for the Jailers to address the vacancies in that department that expense calculations are broken out by Sheriff, Jail, Jail – Vacant positions, Highway, and County (all other employees). There are a total of 302 employees at the time the numbers were calculated. If fully staffed, the Sheriff / Jail comprises almost half of the employees. She further noted that about 75% of the County employees make less than the median income. She stated that the impact on over-time expenditures or other benefits is not considered in these calculations and that there are already funds budgeted in those areas.

When Ms. Watson finished, Brad Johnson asked about the balance remaining in the expense lines that was proposed at the last meeting to fund increases now for the Jailers and the Sheriff department employees. While the figures were being confirmed, she stated that the Jail had more than sufficient funds to accomplish the 10% raise to the Jailers, but that the Sheriff and other departments did not. Brad Johnson then asked about the vacancies in the corrections department and referred to the handout from the prior meeting which details shift vacancies. He reiterated that the County would be liable for injuries due to these deficiencies.

Brad Johnson returned to referencing the handout and reminded the committee that the immediate need is to target the deficiencies of staff in the Jail. Ms. Watson commented that in this department, more than 80% are below the median income level of the area, and most are quite a bit below that.

Following this general discussion, Chairman Jaynes then asked for questions from the Committee.

In attendance, but not a committee member, Commissioner Kelly Collins asked for clarification about the benefits expense and health insurance. Ms. Watson noted that health insurance is on average about \$700 / month per employee. Other benefits are additional. However, these expenses are already in the budget for new hires at the Jail.

Commissioner Johnson then asked how likely it would be that the department could fill 11 vacancies by March. Chief Parrish, who was in attendance, replied that he didn't know if that could be done, but was more confident that this conversation and action by the Commission would draw more applicants to this career.

Commissioner Frazier outlined that this process might be broken down into two different pieces, the first being the short-term resolution of addressing the jail vacancies to stop the outflow of employees and to increase the number of correction officers. By using already existing funds, this could be done to get the vacancies filled soon. He noted that a combination of sign-on and retention bonuses using the current budget line, to be issued quarterly, would be reasonable. Carolyn Watson said that we have to be cautious not to leave out people that are already working there, to recognize and to reward their hard work every day. Aaron Frazier then resumed by reviewing the nature of the dangerous work undertaken every day by the Jail and Sheriff employees, which is different from other jobs in the County.

Commissioner Garland asked what is the current wage rate for a Jailer and a Deputy, and if when the Commission provides increases, does this increase impact the starting wage? Chief Parrish responded that a Jailer starts at \$12.02 and a Deputy starts at \$12.85, and that in prior years it was around \$11.00. Brad Johnson calculated that this would equate to a \$24K-\$26K annual salary.

Chairman Jaynes then asked if there were any additional questions from the committee. Aaron Frazier noted that he had several but that he needed time to review the information. He then reflected that the property tax rate in the surrounding counties is higher than Carter County's, which is set at \$2.03. Each penny added to the tax rate brings in approximately \$100,000 in property tax revenue. This would require a \$.17 increase in the property tax rate to offset the possible expense of the raises proposed. While he understands this could be necessary, the reality is that it would be hard to afford by many residents of the county.

Ms. Watson also responded that it is necessary for the County to live within its means. She has asked the Comptroller's office if there is any revenue we are missing and was advised that upcoming budgets should not anticipate major increases and that sales tax receipts should be estimated at the same level. This needs to be considered when discussing what is the best thing to do for the greatest number of employees. She then returned to the issue of how much funding is available in salary lines in the Sheriff Department. She again stated that there is more than enough in the Correction officer line in the Jail budget due to unspent salaries. The Deputy line in the Sheriff budget is not expected to have as much, so the funds needed for a raise across the board would have to come from elsewhere. She then confirmed, as did Chief Parrish, that there would be at least \$300,000 available to fund any type of wage increase or bonuses issued to correction officers for the balance of the fiscal year.

Aaron Frazier reviewed that there are about 21-22 vacancies in the jail and another 6 vacancies in the Sheriff Department.

Chairman Jaynes noted that the Committee needed time reflect on what had been discussed thus far so he opened the meeting to public comment.

PUBLIC COMMENT:

Roy Livingston, resident of Hampton, TN came forward to note that as this next budget cycle begins, it is important to live with our means, referencing the comment made by Director Watson. He further stated that the County can't waste money and that it is your job to find it during the budget process because the taxpayer gets the bill. He worried that people he sees shopping are buying crackers one day and the next day buying cat food, and that this is what people are eating because they are down. The tax money comes from these people. He complimented Ms. Watson by saying she knows what she is talking about and that she is telling the facts straight and that people should be proud of her.

With no further public comment, Commissioner Jaynes closed the public comment period at 6:51 pm. The committee meeting resumed. Various committee members spoke, noting their thoughts. Aaron Frazier said that a bonus for new and existing Jail staff members is a priority. Julie Guinn reflected those small raises don't add up when everything else goes up in cost too. Gary Bailey highlighted the flat amount option of \$2,000 as way to really lift up many employees and that it would make more of an impact to all of those below the median wage.

Further discussion of the various scenarios ensued, which gave the Committee much to consider. Each scenario was reviewed again, and several pros and cons were noted. The committee generally agreed that it is important to target the people that need it the most, which are the front-line workers who are struggling to make ends meet. It is also important to be fair to everyone with most agreeing that the sliding scale or the flat amount are the most appealing options. Ms. Watson then explained the

calculation of the flat amount (\$2,000 per full-time or \$1,000 per part-time employee) with a reminder that we are locked in from a revenue standpoint. It will be very difficult to come up with that much money. The budget process has just started and she estimated that she has about 1/3 of the schedules back from the departments.

Aaron Frazier then showed the handout on the video screen to share the specific figures used to calculate the sliding scale option. The cost-of-living increase would be on top of this expense. Robin McKamey noted that the flat amount of \$2,000 would be about \$38 / week and that this would make a difference.

Chairman Jaynes asked the committee to consider if they were satisfied or not with the various options and reminded the committee members that they can request that other options and ideas be presented for consideration at the meeting on the 14th.

Aaron Frazier asked about the impact of the pay increase on take-home pay. Chief Parrish then responded, thanking the Commission for the recent bonus and the 4% raise. He noted however that with the increase in benefit costs this year, some folks didn't realize more money in their take-home pay. Discussion followed about giving employees more flexibility to choose the health insurance or to opt for a differential in pay. Chief Parrish would want more time to understand the potential benefit to this and how many might want this flexibility.

A ten-minute break was called at 7:15 pm.

The meeting resumed at 7:36 pm with Chairman Jaynes asking for any last questions and to see if any committee member wanted to offer a plan to move forward, especially considering the immediate need to fill the jail vacancies.

Aaron Frazier began to outline a plan to offer a \$3,000 sign on bonus and a \$3,000 retention bonus, with eligibility back dated to November 1, 2021, and be applicable to the Jailers and Deputies (road officers) only. These funds would be taken from unexpended funds in the applicable lines.

Brad Johnson asked if any of the funds from ARPA could be used. With the County already establishing a process for these funds, it was concluded that any course of action taken now should not involve ARPA funds.

Aaron Frazier noted that he calculated his plan would cost about \$81,000 in sign-on bonuses and about \$258,000 in retention bonuses, with any additional funding needed to come from Unassigned Fund Balance. The total would be \$339,000. Chief Parrish noted that in prior COVID monies allowed for hazardous duty-pay. While the COVID crisis has exacerbated the problems at the Jail, the rules for ARPA funds are different, which were reviewed by Carolyn Watson. Chief Parrish expressed his support of the \$2,000 flat amount, which combined with the \$800 reimbursement of certification costs, would go a long way.

Aaron Frazier then made a motion to set aside \$339,000 for a \$3,000 sign-on bonus and a \$3,000 retention bonus for jailers and front-line workers at the Sheriff department, with Sergeants, Lieutenants and those higher being excluded. Chief Parrish then jumped in saying that no one should be excluded and that you can't pick and choose who gets it. He said he will have a great deal of dissention in his ranks if everyone is not included (but the Sheriff and himself).

Carolyn Watson asked for a clarification about the amount of the bonus for part-time employees, to which Aaron Frazier amended his motion to specify that part-time employees would receive \$1,500. Discussion revolved around how many employees are currently on staff, less the Sheriff and the Captain. Give or take one or two, the number is about 101 full-time and about 15 part-time employees.

The committee then started discussing various other options, with Ross Garland requesting that a sliding scale be created but using a flat dollar amount instead of a percentage. Carolyn Watson said that they will work on this. Chairman Jaynes asked if anyone had any other ideas to request. He then noted that they would continue this discussion at the next meeting. Robin McKamey stated that there was a motion on floor. Aaron Frazier then withdrew his motion since there was not a second.

Robin McKamey made a motion to adjourn the meeting at 8:19 pm. Julie Guinn was second. All were in favor.

Respectfully submitted:

Approved for Entry:

Audra Gerty

Austin Jaynes, Chairman