

**CLAIBORNE COUNTY
BUDGET COMMITTEE
MINUTES**

FY 2025-2026 BUDGET

Calendar for Budget Meetings

There was discussion on the calendar and timeline for the budget to be approved. The following dates are set for future budget meetings at 6 o'clock in the large courtroom. Timothy Shrout made a motion to approve the following schedule for budget meetings and Zachary Bunch second the motion. Motion passed unanimously.

- February 6th – Review draft 2025-2026 budget
- February 25th – Review and approve budgets
- March 4th – Review and approve budgets
- March 11th – Review and approve budgets
- March 18th – Review and approve budgets
- March 25th – Final Committee meeting, approve proposed budget, forward to County Commission

Other budget adoption and amendment meetings:

The proposed budget should be able to be submitted to the Claiborne Progress for public advertisement in early April or early May. The Budget Committee can hold a public hearing on the budget at either the April or May County Commission meeting. The County Commission can take up the proposed budget at either its April or May meeting. Budget adoption may occur in either May or June, with the adopted budget submitted to the State Comptroller for approval.

The Budget Committee will also meet on April 21, May 19 and June 26 to adopt other line item amendments for the current year budget.

Items for Discussion were presented by Eric Pearson

Background on the Budget

Mr. Pearson provided background information on the budget process, proposed budget advertisement, proposed budget public hearing, proposed budget, continuation budget, and appropriations and amendments. He also discussed state requirements for the budget, including required state approval of the county budget, requirement for a balanced budget, required budget submittal forms, required funding of official's salaries per statutory requirements. Mr. Pearson also summarized the state comptroller's recommendations on the budget, including adopting the budget prior to the beginning of the fiscal, having a structurally balanced budget, and providing for cash liquidity and adequate reserves. Mr. Pearson provided information on the state mandated maintenance of effort requirements (MOE), that the county must meet, including the Education MOE, Sheriff Law Enforcement MOE, Highway MOE, Election Commission MOE, Assessor minimum staffing, Public Library MOE, 911 Board MOE, and Mayor MOE.

Mr. Pearson then reviewed the required and optional county services for county governments under state law, as follows:

Required Services for County Governments

- Ambulance (one ambulance service must be available within a county)
- Education
- Emergency Management

- Fund 101 – General Fund
- Fund 116 – Solid Waste/Sanitation
- Fund 122 – Drug Control
- Fund 131 – Highway/Public Works
- Fund 176 - Highway Capital Projects
- Fund 171 – General Capital Projects
- Fund 151 – General Debt Services
- Fund 127 – American Rescue Plan
- Fund 141 – General Purpose School
- Fund 142 – School Federal Projects
- Fund 143 – School Central Cafeteria

The FY 2025 adopted General Fund budget illustrates the budget structure. The property tax was the largest revenue in the 2025 budget and is the largest discretionary revenue for the county. The Sheriff, including both the Sheriff's Office and the Workhouse, is the largest function. Salaries and benefits make up the largest expenditure category of the budget.

Fund Balance and Tax Rates

Mr. Pearson also reviewed historical data and trends on fund balances and tax rates. The cash in each fund is restricted to that fund, with the exception of the general fund. Each fund should retain sufficient fund balance for cash management, contingency (emergency or unanticipated expenses), planned future expenses and some level of reserves.

Mr. Pearson reviewed historical data on the general fund that compared revenue and expenditure trends. It is important to know that the general fund runs an operating deficit for the first and last third of the year. The primary reason is that expenditures are consistent each month but the majority of revenues come in the second third of the year, due to property tax collection. This requires adequate fund balance at the beginning of the fiscal year and the end of the fiscal year to fund the operating deficits.

Mr. Pearson also reviewed historical tax rates and fund balance withdrawals for the County funds. This provided the Committee with information on how large withdrawals from fund balance to balance the budget were not sustainable, made the tax rate artificially low, reduced the General Fund cash position, and resulted in the need for property tax increases in FY 2024 and FY 2025.

Given this information, Mr. Pearson recommended that the Committee approach the FY 2026 budget with specific goals to ensure responsible financial management, such as adopting a structurally balanced budget with no withdraw from fund balance in any tax-levy supported fund (unless part of a planned withdraw) and setting the tax rate to maintain or increase the general fund year-end fund balance. Mr. Pearson noted that he would work with the Financial Management Committee to develop fund balance policies with minimum target amounts established.

In addition, Mr. Pearson identified several items that could affect the FY 2026 budget, including:

Joe Brooks presented to the budget committee information on the local sales tax option.

Next meeting is scheduled for February 6 at 6 o'clock. Mr. Pearson will e-mail out information to members on line item budget amendments and draft budget prior to the meeting.

Motion by Haley Barker to adjourn at 7:51 p.m., seconded by Timothy Shrout. Motion to adjourn adopted unanimously.

Mr. Pearson received notification of the General Sessions Judges cost of living adjustment increase for our employee. The committee members were provided a copy of the letter. The letter advises that counties should calculate a 2.9% COLA (cost of living adjustment) for the upcoming fiscal year starting on **July 1, 2025**.

- **Fund 101**

Mr. Pearson provided the new mandated salary for officials with the current fiscal year budget. Mr. Pearson also explained that several departments will be requesting salary increases for their staff. The committee briefly discussed the level 1, level 2, and level 3 salaries that were used in a prior budget. This may need to be reevaluated for the upcoming budget.

Some budgets were reduce such as the Election Commission for there is no elections for this year.

Mayor Brooks mentioned that the planning commission is discussing the contracted services for the ETDD contract for increasing cost. He will pass along the information once it has been determined for cost of service.

The county maintenance truck is in need to be replaced. Mayor Brooks has been exploring using the same state government contract that was used by the Sheriff to purchase a new truck for the maintenance department, likely at a lower cost.

Quinton Rogers gave an update that the Speedwell helipad is needing to be completed for his community.

A new line item has been added for the current fiscal year: Alcohol and Drug Programs (101-55170-316). This provides funding for a trauma care position in the school budget that is offset with opioid settlement revenue. This position and funding was approved by the County Commission in a resolution.

The Senior Citizens Committee has scheduled a meeting for February 18th at 5:30. Mayor Brooks suggested to the committee to review the directors at each center.

- **Fund 116**

The landfill is currently experiencing some delays with state permits on closing and opening the new Class 3 landfill. They continue working and monitoring with the state to meet the guidelines and approvals for the permits. There is new geographical services being done for landfill to meet approval. The new landfill should open approximately September 2025. The county wants to avoid the cost of shipping of our county waste if our landfill is full to capacity.

- **Fund 127**

This fund has some projects that were completed in 2024-2025 budget year. Some other line item amounts are to be determined for the current fiscal year budget. Otherwise, it is projected the total expenditures and revenues will decrease.

Claiborne County Public Budget Committee Meeting
Tuesday, February 25, 2025

Members present: Zachary Bunch, Haley Barker, Timothy Shrout, Anthony Rowe, Mitchell Cosby, Rosemary Barnett, Sherry McCreary, and Quinton Rogers

Members absent: Dustin Wilson

Others present: Robert Brooks, Ronald Hayes, Joseph Brooks, James Estep III, Eric Pearson, and Letha Peters

The meeting was called to order at 6:03 p.m.

Motion made by Sherry McCreary to approve the minutes from February 6, 2025 committee meeting, seconded by Quinton Rogers. Motion approved.

Brave Boxing & Fitness

Robyn Canter, President, of Brave Boxing & Fitness was present at the budget meeting. Brave Boxing is located at 1520 North Broad Street, Tazewell, TN. The organization is requesting charitable contributions of \$3,000 for the 2026 fiscal year. They are a non-profit organization. Some businesses and organizations do provide sponsorships for their youth and adult programs. During the frigid weather they opened their business as a warming shelter. They offer tutoring and mentoring as well as boxing for all ages and provide transportation as needed for their members. In January, they had a grand opening of their business in our community.

Timothy Shrout was interested in a partnership between their organization and the County workhouse/inmate program.

SCHAS-Senior Citizens Home Assistance Service

Mr. Pearson provided a letter to the budget committee asking for financial support from SCHAS. Mitchell Cosby tabled the discussion until the contributions are discussed at an upcoming committee meeting. There was not a member in the audience representing SCHAS to speak on behalf of the charitable contribution.

Fund 101

Sheriff

Sheriff Robert Brooks and Chief Deputy Ronald Hayes were present to answer questions regarding the requested 2025-2026 budget.

The proposed budget does not include employee raises. Sheriff Brooks distributed a pay rate comparison for 2024-2025 with surrounding entities in our area showing pay rates for various

Motion by Anthony Rowe to approved as drafted, seconded by Quinton Rogers. Motion passed unanimously.

Administration Sexual Offenders - 101-54160

A total proposed draft of \$2,000 was presented to the budget committee for review.

Motion by Anthony Rowe to approved as drafted, seconded by Quinton Rogers. Motion passed unanimously.

Workhouse - 101-54220

A total proposed draft of \$4,135,706 was presented to the budget committee for review.

Motion by Anthony Rowe to approved as drafted, seconded by Quinton Rogers. Motion passed unanimously.

Capital Projects – 101-91000

The capital projects for the Sheriff in the budget request are \$210,000. The Sheriff stated that this would replace about four vehicles, and they are requesting an increase to \$220,000 to ensure the vehicles can be fully equipment.

Motion by Anthony Rowe to approve with the increase, seconded by Quinton Rogers. Motion passed unanimously.

Fund 122

Drug Control Fund 122-54150

A total proposed draft of \$53,800 was presented to the budget committee for review.

Motion by Anthony Rowe to approved as drafted, seconded by Quinton Rogers. Motion passed unanimously.

Fund 101

County Mayor – 101-51300

A total proposed draft of \$233,745 was presented to the budget committee for review.

Motion by Zachary Bunch to reduced travel from \$10,000 to \$5,000, seconded by Quinton Rogers. The motion failed due to a lack of majority. The roll call results were:

- | <u>Yes</u> | <u>No</u> |
|-------------------|------------------|
| 1. Zachary Bunch | Timothy Shrout |
| 2. Haley Barker | Anthony Rowe |
| 3. Mitchell Cosby | Rosemary Barnett |
| 4. Quinton Rogers | Sherry McCreary |

Mayor Brooks informed the committee that he has recently interviewed for the job vacancy and has a few more interviews scheduled. This position allows our county to be a ThreeStar Community with the State of Tennessee.

Motion by Quinton Rogers to approved as drafted, seconded by Rosemary Barnett. Motion passed unanimously.

Veterans Services – 101-58300

A total proposed draft of \$44,476 was presented to the budget committee for review.

The increase proposed budget is for flag purchases for the community.

Motion by Quinton Rogers to approved as drafted, seconded by Timothy Shrout. Motion passed unanimously.

County Commission – 101-51100

A total proposed draft of \$190,223 was presented to the budget committee for review.

TCCA membership dues will come from the county commission budget; these dues are included in the budget request.

Motion by Quinton Rogers to approved as drafted, seconded by Anthony Rowe. Motion passed unanimously.

Board of Equalization – 101-51210

A total proposed draft of \$7,025 was presented to the budget committee for review.

Motion by Quinton Rogers to approved as drafted, seconded by Anthony Rowe. Motion passed unanimously.

Beer Board – 101-51220

A total proposed draft of \$2,500 was presented to the budget committee for review.

Motion by Quinton Rogers to approved as drafted, seconded by Anthony Rowe. Motion passed unanimously.

Budget and Finance Committee – 101-51230

A total proposed draft of \$32,232 was presented to the budget committee for review.

Motion by Quinton Rogers to approved as drafted, seconded by Anthony Rowe. Motion passed unanimously.

Fire Prevention and Control – 101-54310

A total proposed draft of \$251,000 was presented to the budget committee for review.

Industrial Development – 101-58120

A total proposed draft of \$120,000 to the budget committee for review.

Motion by Zachary Bunch to approved as drafted, seconded by Timothy Shrout. Motion passed unanimously.

Housing & Urban Development – 101-58130

A total proposed draft of \$1,224,997 to the budget committee for review. Mr. Pearson stated that this provides funding for the CDBG food grant, utility contributions to water projects, and the HOME grant. These numbers will likely change to reflect actual remaining expenditures for the Food Grant later in the current fiscal year, but it makes sense to adopt the budget and amend it later.

Motion by Quinton Rogers to approved as drafted, seconded by Haley Barker. Motion passed unanimously.

Other Discussion Items

The next meeting is scheduled for March 4, 2025 at 6 p.m.

Mr. Pearson provided the committee with proposed agendas for the future budget meetings. Motion by Zachary Bunch to adjourn at 8:04 p.m., seconded by Haley Barker. Motion to adjourn adopted unanimously.

The decrease in the proposed budget is due to there being no elections during our 2025-2026 budget. Aaron Reed asked to amend the 101-51500-709 (other equipment) line item from \$25,000 to \$15,000 in consideration that it would be approved for an increase amount when there is an election to be held during the next budget cycle. He further explain the budget line item pays for the vendors during elections such as the service technicians, equipment, voting machine seals, and miscellaneous items.

The proposed budget does include the increase of state mandated salary for the Administrator of Elections, salary increase (3%) for the deputy clerk, data processing services, and fees for contracted services.

Motion by Timothy Shrout to approved as amended draft of \$245,618, seconded by Rosemary Barnett. Motion passed unanimously.

General Sessions - 101-53300

A total proposed draft of \$290,738 was presented to the budget committee for review. Judge Robert Estep was present to answer questions regarding the requested 2025-2026 budget.

The increase proposed budget is for the mandated salary increase for the judge, GPS monitoring, and required travel and expenses.

Motion by Zachary Bunch to approved as drafted, seconded by Timothy Shrout. Haley Barker was absent from voting. Motion passed unanimously.

Juvenile Services – 101-54240

A total proposed draft of \$84,208 was presented to the budget committee for review.

The increase proposed budget is for the other contracted services and required travel and expenses.

Motion by Timothy Shrout to approve with the increase, seconded by Rosemary Barnett. Haley Barker was absent from voting. Motion passed unanimously.

Emergency Management – 101-54410

A total proposed draft of \$152,119 was presented to the budget committee for review. David Breeding was present to answer questions regarding the requested 2025-2026 budget.

The increase proposed budget is for the 100% grant funded for other equipment (54410-790), and lease/SBITA payments.

Motion by Timothy Shrout to approved as drafted, seconded by Rosemary Barnett. Motion passed unanimously.

Local Health Center – 101-55110

A total proposed draft of \$172,115 was presented to the budget committee for review. Garnet Southerland was present to answer questions regarding the requested 2025-2026 budget.

The budget includes the grant carryovers for the Instructional Supplies-Tobacco (55110-429), other supplies and materials (55110-499-MIRO), and Other Charges (555110-599-PPI).

Motion by Zachary Bunch to approved as drafted, seconded by Sherry McCreary. Motion passed unanimously.

Other Local Health Services – 101-55190

A total proposed draft of \$110,096 was presented to the budget committee for review.

This budget is 100% grant funded.

Motion by Zachary Bunch to approved as drafted, seconded by Sherry McCreary. Motion passed unanimously.

Capital Projects/Health Dept – 101-91000

A total proposed draft of \$527,403 was presented to the budget committee for review.

Garnet informed the committee of the recent bid opening. Once the bids are closed, they will be able to review the bids for the building improvements project. The awning project has been completed.

Motion by Zachary Bunch to approved as drafted, seconded by Sherry McCreary. Motion passed unanimously.

Fund 151 - Debit Service

Discussion Only

Mr. Pearson handed out information on Fund 151 for the budget committee review, including a summary of appropriations and revenues, fund balance and changes, county outstanding debt service, county debt service payments, current debt service schedules, and a debt service schedule required by the State Comptroller as part of the 2026 budget submittal.

In 2025, there was a large withdraw to pay jail debt. The wheel tax ended December 2024 for the jail debt and leaving only the \$25 wheel tax for the Highway Department.

The landfill garbage truck is schedule for payoff at the end of 2027.

The committee discussed the ADA improvements be funded in the Fund 171 for capital projects.

Mr. Pearson advised the budget committee of having 50% to 100% of that year's debt service in fund balance. The property tax revenues are generally collected in the months of December thru February.

Claiborne County Public Budget Committee Meeting
Tuesday, March 11, 2025

Members present: Zachary Bunch, Haley Barker, Timothy Shrout, Anthony Rowe, Mitchell Cosby, Rosemary Barnett, Sherry McCreary, and Quinton Rogers

Members absent: Dustin Wilson

Others present: Joseph Brooks, James Estep III, Eric Pearson, and Letha Peters

The meeting was called to order at 6:04p.m.

Motion made by Zachary Bunch to approve the minutes from March 4, 2025 committee meeting, seconded by Sherry McCreary. Motion approved.

Fund 101

Line Item Budget Amendments

Zachary Bunch moved to approve the line item budget amendments as presented for Fund 101 and Fund 127, seconded by Rosemary Barnett. Motion passed unanimously.

County Trustee – 101-52400

A total proposed draft of \$405,121 was presented to the budget committee for review. Denise Alexander was present to answer questions regarding the requested 2025-2026 budget.

The increase proposed budget is for the mandated state salary increase for the Trustee, bond expense, operating lease payments, and employee salary increases.

The workflow in the office is increasing due to serving more customers, increased request of services, and new regulations. Denise called the surrounding County Trustee offices to obtain salary employee information to determine her employee salary amount increase for her employees.

Motion by Anthony Rowe to approve as amended with 3% salary increase with current salary, seconded by Quinton Rogers. Motion passed unanimously.

Tax Relief – 101-58900

A total proposed draft of \$45,000 was presented to the budget committee for review. Denise Alexander was present to answer questions regarding the requested 2025-2026 budget.

Motion by Quinton Rogers to approved as drafted, seconded by Sherry McCreary. A roll call vote was taken and the motion passed unanimously.

Finance Department – 101-52100

A total proposed draft of \$585,717 was presented to the budget committee for review. Mr. Pearson was present to answer questions regarding the requested 2025-2026 budget.

Mr. Pearson provided an updated requested budget to the committee for review. He received updated school employee salary and benefits information, as they are on a pay scale rate. Other budget increases include a replacement server, replacement computers, door replacement, salary increase for the two county employees, and one additional full time employee.

Mr. Pearson checked with several other Act 81 counties regarding their bookkeeper salaries. Current county staff are making less than the minimum starting salary in other counties. Based on this disparity in pay, Mr. Pearson is requesting a 10% increase for the two county bookkeepers. Currently, there are five bookkeepers funded from the school budget and two bookkeepers funded from the county budget.

There is also a request for an additional bookkeeper position. Mr. Pearson provided information on the office duties involving accounts payable, payroll, grant accounting, retirement, insurances, garnishments, county commission packets, and other tasks, as well as workload, turnover and historical salaries for county employees. The purpose of adding the position is to create three positions dedicated each to accounts payable, payroll and HR/personnel related functions. This would reduce the use of comp time, allow for better segregation of duties, provide more manageable workloads for each staff person, and provide a better ability to cross train staff and provide backups for absences.

Motion by Timothy Shrout to approved as amended with 3% salary increase with current salary plus one additional full time employee, seconded by Quinton Rogers. A roll call vote was taken and the motion passed unanimously.

Register of Deeds - 101-51600

A total proposed draft of \$264,760 was presented to the budget committee for review.

The budget increases is for the mandated state salary increase for the Register of Deeds.

Motion by Timothy Shrout to approved as drafted, seconded by Quinton Roger. A roll call vote was taken and the motion passed unanimously.

Property Assessor – 101-52300

A total proposed draft of \$316,377 was presented to the budget committee for review.

The budget increase is for the mandated state salary increase and employee salary increases.

Motion by Timothy Shrout to approve as amended with 3% salary increase with current salary, seconded by Quinton Rogers. A roll call vote was taken and the motion passed unanimously.

Service, Inc. (SCHAS), and school athletics. In previous years, the county commission adopted a resolution providing funding for travel expenses for student athletes selected to go to state.

Motion by Quinton Rogers to approved as amended with Brave Boxing & Fitness receiving \$1,500, seconded by Sherry McCreary. The new total of non-profit charitable organizations is \$83,750. A roll call vote was taken and the motion passed unanimously.

Other Charges – 101-58400

A total proposed draft of \$890,222 was presented to the budget committee for review.

Mr. Pearson informed the budget committee that funding in insurance covers estimated increases for vehicle, property, cyber, and election insurance coverages. The Trustee's Commission amount has increased by \$20,000 based on projections.

A question about line number 101-58400-599 (other charges) was presented. Mr. Pearson informed the committee that it is for the purchase of highway signs (911 signs) and miscellaneous charges not funded elsewhere in the budget.

Motion by Zachary Bunch to approved as drafted, seconded by Anthony Rowe. The new total with the contributions for other charges will be \$83,750 for a total other charges of \$888,722. A roll call vote was taken and the motion passed unanimously.

Salary Increases

The budget committee discussed salary increases for employees. It was decided to approve all budgets with a 3% salary increase. In addition, the budget committee is discussing longevity pay based on years of service as an additional pay for employees.

The budget committee suggested a longevity pay of \$100 per year of service, with the first payment after five years of service, provided only to full time employees, with a payment cap at 20 years of service, and the payment on the employee's anniversary date.

Motion by Anthony Rowe to approved employee salary increases at 3%, seconded by Quinton Rogers. A roll call vote was taken and the motion passed unanimously.

Discussion Only

Quinton Rogers asked about the property increase as the proposed budget is presented to the committee. Mr. Pearson explained that the initial property tax increase from the request is \$0.1374 but that this would change based on the committee's actions to date and actions at future meetings.

The budget committee briefly spoke about the advantage of having a 5 or 10 year financial plan for the county. A recommendation to propose a fund policy for the county was suggested as well.

The Assessor does not yet have updated information on the value of the penny.

Claiborne County Public Budget Committee Meeting

Thursday, March 20, 2025

Members present: Zachary Bunch, Haley Barker, Anthony Rowe, Mitchell Cosby, Rosemary Barnett, Sherry McCreary, and Quintin Rogers

Members absent: Tim Shrout, Dustin Wilson

Others present: Joseph Brooks, James Estep III, Eric Pearson

The meeting was called to order at 6:09 p.m.

Motion made by Sherry McCreary to approve the minutes as corrected from the March 11, 2025 committee meeting, seconded by Zach Bunch. Motion approved.

Discussion on Salary Increases

The budget committee previously approved a 3% salary increase for all County employees. The Committee has also discussed a longevity pay option.

The Property Assessor and Clerk & Master addressed the Committee regarding salary increases. They asked how the 3% increase was approved, if comparisons with other counties was provided, and how the county's prior longevity pay policy was stopped.

The County Attorney stated that the Commission and Judge had authorized the longevity pay policy, but the Commission voted to end it and had this authority.

The Assessor and Clerk & Master provided salary comparisons with Campbell and Union county. The other counties pay significantly more, \$11,000 to \$13,000 more depending on tiers. Sherry McCreary stated that the Committee knows pay is low. Quintin Rogers stated that the Committee is not certain if the 3% increase will even be approved by the full Commission. The Committee believes that county staff deserve a larger raise, but it will be tough to get any raise approved by a majority of the Commission.

The Assessor stated that work for his staff is becoming more complex, and workload is increasing, and the county should pay a living wage to current employees.

The County Attorney reminded the Committee that the officials can file a salary lawsuit with a judge if they do not believe salary increases are adequate. If the judge rules in favor of the officials, the county will have to obey the judge and fund the salary increases.

The Assessor stated that longevity pay does not entice new staff to take county positions. His recent experience interviewing candidates to fill a position was that several were not interested in the job due to low pay. The Clerk & Master agreed with concerns about workload and pay, and also stated that it

if the new landfill opens it will not be until late FY 2026 or later, the Committee agreed that the county does not need to budget for this expense in the FY 2026 budget.

Mr. Pearson provided a review of line item expenses and revenues and suggested the following changes:

- Reduce Worker's Compensation Insurance (513) by \$10,000
- Increase Trustee's Collection Prior year (40120) by \$3,000
- Increase Clerk & Master Prior collection (40130) by \$4,000
- Increase Interest & Penalty (40140) by \$1,000
- Increase PILOT-Other (40163) by \$4,000
- Increase Tipping Fees (43110) by \$20,000
- Increase Sale of Recycled Materials (40145) by \$1,000
- Increase Miscellaneous Revenue (Union County contract) by \$12,000
- Increase Other Government Grants by \$5,000.

Zachary Bunch moved to approve the budget for Fund 116 as amended, seconded by Haley Barker. Motion passed unanimously.

Property Tax and General Fund Summary

Mr. Pearson distributed a summary of the current property tax and tax rate increase by fund, updated for all changes approved by the Committee, excluding the recent action on Fund 116. The current property tax increase is \$927,445. Increases are in Fund 101, Fund 116 and Fund 151. The tax rate increase is 13.55 pennies.

Mr. Pearson also distributed a summary of the changes in the General Fund. Appropriations increase by \$910,980. This includes about \$361,742 in various mandatory increases, such as the health insurance, property insurance, official salary increases, and other items. It also includes about \$549,238 in what can be considered discretionary increases, including the 3% salary increase and replacement of Sheriff vehicles. Mr. Pearson also provided a list of the optional expenses funded by the County. While most of the services funded by the County are mandatory under State law, some services, such as the Library, Senior Citizen Assistance, fire department contributions, animal shelter contribution, and non-profit contributions, among others, are not mandated services under State law. Total funding for optional services is about \$938,990.

General Fund Revenue

Mr. Pearson provided a summary of the Fund 101 revenues. This included the major categories of revenues as a percent of the budget, with local taxes the largest component at \$10.1 million or 56.9%. The information also includes a comparison of the FY 2026 revenue estimates with the estimates from FY 2024 and FY 2025. Most local revenues have increases. Local own source revenue, excluding grants, federal revenue, and funding from other governments, totals almost \$3 million and has a 4.2% increase. This is a good increase, but the base level of revenue at \$3 million is a relatively small percentage of the total revenues.

- First payment after five years of service
- Payment capped at \$2,000
- Non-base building bonus payment

The estimated fiscal year 2026 costs is \$139,700. Of 211 employees, 118, or 55.9%, would receive a longevity pay payment. The average payment is \$1,184, averaging 2.9% of salary. The range is a minimum of 1% of salary to a maximum of 8.9% of salary. About 92 employees would not receive longevity pay. If all 211 employees received the maximum longevity pay amount, the annual cost would be \$422,000.

Other Discussion Items

Mr. Pearson mentioned some budget items that the Committee may want to consider at its next meeting. First, the Committee may want to consider some cybersecurity funding, such as funding for a cybersecurity assessment, or training for county staff, or funding an IT position that would work in part on cybersecurity. Second, the Committee may want to consider the local match for the CDBG waterline project. A resolution was approved the Commission supporting the CDBG application, and the most recent information is that the match could be around \$300,000. This funding could be included in the FY 2026 budget. If the match is not budgeted, it will be funded from Fund Balance. The Committee discussed the need to further review the budget so that it can develop the best budget to present to the full Commission. It will want to look at fund balances as the full Commission will likely also be looking at this information. One option is submitting the proposed budget to the Commission at its April meeting and having a discussion on the budget at this meeting. Then the Commission can vote on the Budget in May.

The next meeting is scheduled for March 25, 2025 at 6 p.m. in the small courtroom. This will include Fund 131 and Fund 176 for the Highway. The Committee will also need to finalize the Fund 171 and Fund 151 budgets.

Motion by Haley Barker to adjourn at 9:07 p.m., seconded by Anthony Rowe. Motion to adjourn adopted unanimously.

Motion by Zach Bunch to approved Fund 131 as amended, seconded by Tim Shrout. A roll call vote was taken and the motion passed unanimously.

Fund 176 – Highway Capital

A total proposed draft of \$823,330 was presented to the budget committee for review.

Mr. Pittman stated that the wheel tax revenue funds about 12 miles of road.

There was a question about Highway equipment. Mr. Pittman reported having 73 items on his equipment list inventory that are paid in full. Based on miles and hours on the equipment, the equipment will need continuing replacement. This is needed to ensure the department can perform effectively, including responding to storm damage.

Mr. Pittman reported he is still waiting on FEMA reimbursement from the cleanup from the recent storms.

Mr. Pittman advises that some smaller chainsaws were stolen. The issue has been addressed with the employees locking up the items in the building instead leaving them in the work trucks. Mr. Shrout suggested installing some security cameras similar to what the Sheriff Department uses. Mr. Pittman will be looking into a security camera system for the lot and will get information from Mr. Shrout on security cameras.

The required funding is 1.5 pennies from the current property tax.

Motion by Zachary Bunch to approved as requested, seconded by Anthony Rowe. A roll call vote was taken and the motion passed unanimously.

Fund 171 - General Capital Projects

A total proposed draft of \$1,000,000 was presented to the budget committee for review.

Mr. Pearson advised the committee that amounts could change once estimates are received from engineers to complete the ADA projects for the thirteen buildings. Also, the Committee may want to add funding for some projects at the Justice Center.

If funding is increased, there may be a need to increase funding for debt service in Fund 151.

The Committee discussed the ADA needs and whether it is possible to reduce this funding and provide some funding for Justice Center improvements.

Timothy Shrout passed out three estimates for maintenance and repairs needed at the sheriff department. First, an estimate from Tennessee Standard Plumbing for the water piping, tank replacements, and other related work to complete the project. The estimated project is for \$149,130. Second, an estimate from SWC for the lock system, including door maintenance, touchscreen and card access admin station upgrades. The estimated project cost is \$54,048. Thirdly, an estimate form Willis Paving, Inc. for resurface of asphalt, curb removal, new concrete sidewalks, and additional detail work to complete the project. The estimated project is for \$152,995. Mr. Shrout is waiting for estimates on the replacements of the AC units for the facility and roof work. AC units are in need of replacement. Mr. Shrout stated that delaying the projects will likely result in higher costs. The boiler replacement will be funded in FY 2025 with a withdraw from General Fund fund balance. The other projects will likely cost at least \$500,000.

There was a question about the Fund 141 budget option. The School Board proposes a budget, but the School Board cannot levy taxes and has to request funding from the County. The County has to meet the Maintenance of Effort required funding amount but does determine how much property tax and sales tax is provided. There is currently surplus sales tax that does provide a benefit to the School in terms of increasing its fund balance. In the FY 2026 budget, the property tax for the school is the same as in FY 2025. The County could increase the sales tax estimate by a penny and reduce the property tax by a penny. The County would still meet Maintenance of Effort. If there is a reduction in sales tax below the amount needed to meet Maintenance of Effort, the property tax would have to increase. Also, the projections on TISA funding for the school is that this revenue will likely decrease. The Committee did not support making any change to Fund 141 revenue.

Timothy Shrout gave the budget committee handouts on information regarding the state inmate income. Currently, we receive \$41 per day for our state inmates. Mr. Shrout is working on the final approvals for our jail/workhouse to be a Tier 1 facility for the state inmate program. The Tier 1 facility earns an additional \$3 per day per inmate. The total increase per day on average of thirty state inmates would be \$90 per day. The increase monthly average for thirty state inmates would have an increase of \$2,700 and given an increase of \$32,400 per year.

Motion by Anthony Rowe to increase the revenue estimate for the Contract Prisoner Board (46915) by **\$32,400**, seconded by Haley Baker. A roll call vote was taken and the motion passed unanimously.

Mr. Pearson identified potential Fund 101 revenue estimate increases, including:

- Trustee Collection-Prior Year (101-40120): \$10,000
- Bank Excise Fee (101-70320): \$11,000
- Interest Earnings (101-44110): \$65,000
- Trustee Excess Fees (101-45190): \$10,000
- Jail Fees (101-42150): \$2,000
- DUI Treatment Fines (101-42180): \$1,000

Mr. Pearson identified potential Fund 116 revenue estimate increases, including:

- Tipping Fees (116-43110): \$10,000
- Interest Earned (116-44110): \$5,000
- Sale of Recyclable Materials (116-44145): \$3,000
- Other Government Grants (116-46190): \$2,000

Motion by Haley Barker, seconded by Zach Bunch, to adopt the revenue estimate increases in Fund 101 and Fund 116. Motion passed unanimously.

With all the approved changes, the property tax increase is \$370,798, about a 2.4% increase, which is below inflation. This will be about a 5.2 penny increase. If the penny value increases, the tax rate will decrease. It was suggested to wait to get the updated penny value before finalizing the budget to present to the County Commission. The budget can go to the Commission at its May meeting. This also provides more time to get better estimates for the ADA and Justice Center capital projects.

The Committee decided to reschedule its April 21 meeting to April 29 at 6 pm. This should provide the Committee the ability to get the updated penny value for this meeting and determine the tax rate and then identify any options it wants to consider.

Claiborne County Public Budget Committee Meeting
Tuesday, April 29, 2025

Members present: Zachary Bunch, Haley Barker, Timothy Shrout, Anthony Rowe, Mitchell Cosby, Rosemary Barnett, Sherry McCreary, and Quintin Rogers

Late arrival: Dustin Wilson

Others present: Joe Brooks, James Estep III, Eric Pearson, and Letha Peters

The meeting was called to order at 6:08 p.m.

Motion made by Sherry McCreary to approve the minutes from March 25, 2025 committee meeting, seconded by Rosemary Barnett. Motion approved.

Claiborne County Animal Shelter (information and discussion only)

Misti Roberts, Director of the Claiborne County Animal Shelter, was present to address the budget committee. She is asking for additional funding of \$11,500 for the animal shelter. They are going to ask for donations from Harrogate, Tazewell, and New Tazewell cities.

She presented her proposed 2025 budget for the budget committee. Currently, they have three full time employees. The animal shelter works in conjunction with the Animal Control officer that took in additional 213 animals. Cheerfully, they provided 702 adoptions, 672 transports, and 169 reclaimed by their pet owners. The operational cost of the shelter are not covered by grant funding. The shelter depends on donations and fundraising to cover expenses. The average stay for an animal is two weeks. The intake cost for vaccination, deworming, flea treatment is an average of \$20. Each additional day of the care of the animal is \$5.00 per day. There is a new estate fund that is establish for the animal shelter in the amount of \$24,000, Katie Frazier Estate. The funds will be distributed for a monthly contribution of \$2,000, but will be paid in full in with 5 to 6 years. Zach Bunch inquire about the Timothy Lawrence Estate. This is being set up with a Trustee Fund, but isn't complete at this time. Mitchell Cosby inquiry about the remaining balance of Ann Bowling Estate fund. The mission of the animal shelter is to safeguard the welfare of both the animals in their care and the community.

The budget committee invited her to attend the workshop meeting on May12th to present her request to the full commission.

Line Item Budget Amendments – Fund 101 & Fund 116

Mr. Pearson gave the budget committee members the line item budget amendments for Fund 101 and Fund 116.

Fund 101

Budget amendments include the Election Commission (**5100**), County Buildings (**51800**), Accounting and Budgeting (**52100**), County Clerk's office (**52500**), Reappraisal Program (**52310**), General Sessions Court (**53300**), Sheriff's Department (**54110**), Workhouse/Jail (**55220**), Local Health Center (**55110**), Senior Citizens Assistance (**56300**), and Library (**56500**).

Mr. Shrout passed out the Trane Turnkey Budget Proposal for the Claiborne County Justice Center RTU replacement and related job performance for the HVAC project. The total net price propose invoice for the job is \$623,000.

The budget committee asked Eric Pearson want would the cost be to fund all the projected projects for the county. The estimated cost would be for \$2.1 million to fund all projects.

There are two critical improvements at the Justice Center for the roof replacement estimating \$366,000 and HVAC replacement estimating at \$623,000. The total of \$1,839,000 will be borrowed for these two projects and the ADA building improvements through a 12 year capital outlay note, subject to Commission approval.

Fund 101 – Capital Projects – 9100

The budget committee discussed the capital projects for the upcoming budget. They agreed to fund the parking lot and lock systems for Sheriff's Department in the total of \$210,000 in the General Fund. **(101-91130-707-SHRF)**. The total proposed budget for capital projects in the General Fund with this increase is \$797,403. Motion by Anthony Rowe for \$210,000 for capital projects **(91000)**, seconded by Zachary Bunch. A roll call vote was taken and the motion passed unanimously.

Fund 151

The budget committee amended the proposed budget based on the amendment to Fund 171 for capital projects. The changes are the following:

Principal on Capital Notes, including the ADA improvements and the HVAC and roof projects at the Justice Center (account **151-82110-612**) total of \$513,250

Interest on Capital Notes, including the ADA improvements and the HVAC and roof projects at the Justice Center (account **151-82210-613**) total of \$130,588

Total FY 2026 budget appropriation for Fund 151 of **\$3,583,588**

To maintain property tax funding at the current amount in the proposed budget at \$321,500 will required an increase in the fund balance withdrawal for FY 2026 in Fund 151 of \$686,588.

Motion by Zachary Bunch to approve the budget as amended, seconded by Timothy Shrout. A roll call vote was taken and the motion passed by unanimously.

Rabies and Animal Control - 55120

The total proposed draft of \$20,000 was amended to \$25,000 for the contribution for the Claiborne County Animal Shelter, to be funded from General Fund fund balance. Motion by Sherry McCreary, seconded by Zachary Bunch. A roll call vote was taken with the following results:

Yes Vote	No Vote
Zachary Bunch	Rosemary Barnett
Haley Barker	Dustin Wilson
Timothy Shrout	
Anthony Rowe	
Mitchell Cosby	
Sherry McCreary	
Quintin Rogers	