

CALEDONIA COUNTY SHERIFF'S OFFICE

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SHERIFF
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Dear Committee on Government Operations and Military Affairs,

I write as the incoming Caledonia County Sheriff to respond to the auditor's concerns regarding my predecessor's issuance of approximately \$400,000 of funds raised by department contracts to retain employees. Former Sheriff Dean Shatney regularly issued employees of the department "salary adjustments" during his eleven years as sheriff. This was a practice that had undergone audit review without any prior indication or assessment contrary. The auditor's letter dated January 18th, 2023, was the first time I had learned the auditor considered these bonuses.

Three concerns that I've become aware of were:

1. No bonus policy existed
2. The amounts paid were sizeable in comparison to gross salary
3. The total amount paid depleted the department's cash balance significantly

Response 1: Salary adjustments and bonuses

Since taking office, I have drafted a bonus policy which will undergo legal review before any further salary adjustments/disbursements for the department are considered. While it is true that no formal bonus policy existed in 2022, our department was unaware that such policy would've applied as these have always been considered salary adjustments which had consistently undergone audit review without finding. As much of the department's funds are not raised by taxes, Sheriff Shatney paid relatively low wages, did not provide health insurance, a department sponsored retirement, nor other fringe benefits. He would offer salary adjustments to remain competitive in hiring and retaining employees. See Appendix A which demonstrates our salary rates.

Response 2: Bonus in comparison to gross salary

It is important to note that we have three primary revenue sources for personnel who work for my office: state funds that allocate two transport deputies who also work part time for the department; county funds which employ two personnel that are also employed part-time as department staff; and contract funds which employed eleven people. Despite three separate funding sources, we treat them all as employees of our department. The auditor's analysis of FY22 gross salary examines only department revenue suggesting people were

paid high salary adjustments with little work – this is patently false. The documented reasons Sheriff Shatney authorized the salary adjustments were:

1. Acceptable cashflow for the department
2. Department insurances (law enforcement liability, worker's compensation, vehicle insurance, etc.) were paid for in full
3. No vehicle loans existed, and three new cruisers were added to the fleet
4. All debts were current and paid
5. Rewarding longevity of employees through tough times over the two years of wage stagnation

No wage increases occurred for employees since FY20, because of the impacts of COVID-19. Employees of the Caledonia County Sheriff's Office remained with the department despite the financial hardships experienced. Many employees experienced a decrease in total compensation. See Appendix A. Cash was held in reserve by the department as various federal relief funds were diverted away from counties and sheriffs' departments.

Response 3: Financial Stability

When I took office, the Caledonia County Sheriff's Office was financially stable. The auditor's office previously indicated that a "current ratio" compared current assets to current liabilities. A current ratio of 2:1 or greater is considered indicative of a financially stable entity. After the disbursement of funds, the Caledonia County Sheriff's Office ratio was approximately 5:1.

As many have heard, agencies throughout the state are competing to fill vacancies. The Caledonia County Sheriff's Office desires to be competitive, but that simply isn't the case. See Appendix A. It is common to have trained personnel poached away by other agencies who pay better. Having a financially stable department that has employees has allowed me to enter my term as sheriff capable of delivering quality service to Caledonia County.

I recognize the concerns raised to the Legislature may be shocking at face value. In an environment that is difficult to hire and retain law enforcement deputies, I believe it is clear the total compensation deputies receive including the salary adjustment/bonus, are well below cause for concern.

Respectfully submitted,

Sheriff James Hemond
Caledonia County

Appendix A

Vermont State Police Total Compensation Including Fringe Benefits				Caledonia CSO Total Compensation Including Fringe Benefits				
2020		2021		2022		FY21	FY22	FY23-YTD
State 1	\$97,199.58	\$72,274.01	\$48,457.50	Emp #1	\$41,196.25	\$36,685.38	\$39,607.17	
State 2	\$178,914.71	\$185,948.08	\$206,935.64	Emp #2	\$5,326.45	\$18,610.77	\$30,487.85	
State 3	\$126,725.71	\$133,461.00	\$155,074.00	Emp #3	\$38,019.94	\$26,396.27	\$56,528.09	
State 4	\$73,678.23	\$112,404.10	\$132,484.48	Emp #4	\$31,916.70	\$36,014.28	\$44,068.17	
State 5		\$11,777.55	\$104,211.50	Emp #5	\$10,578.56	\$8,832.08	\$44,621.26	
State 6	\$167,786.05	\$170,625.99	\$198,426.74	Emp #6	\$20,638.89	\$23,795.00	\$37,818.98	
State 7	\$116,236.06	\$126,407.11	\$151,657.41	Emp #7	\$21,116.81	\$27,436.00	\$31,726.09	
State 8	\$190,328.19	\$184,584.25	\$197,491.21	Emp #8	\$10,803.83	\$3,489.38	\$10,438.52	
State 9	\$103,862.11	\$117,702.52	\$142,051.15	Emp #9	\$52,486.70	\$47,878.23	\$75,889.43	
State 10		\$72,943.80	\$125,939.91	Emp #10	\$71,369.16	\$58,986.64	\$90,727.88	
State 11	\$33,552.29	\$91,341.25	\$116,744.35	Emp #11	\$29,352.46	\$13,294.00	\$11,636.75	
State 12	\$166,550.86	\$171,802.05	\$185,801.78	Emp #12	\$48,748.69	\$45,852.92	\$55,307.81	
State 13	\$116,748.36	\$130,090.76	\$155,532.37	Emp #13	\$38,824.53	\$51,847.69	\$67,962.43	
State 14	\$118,364.52	\$133,909.86	\$153,920.40	Emp #14	\$51,293.97	\$47,240.51	\$78,139.88	
State 15	\$131,384.92	\$131,191.29	\$171,690.61	Emp #15	\$17,323.43	\$4,139.63	\$9,210.47	
State 16	\$36,384.09	\$94,451.33	\$112,672.71	Emp #16		\$1,122.28	\$23,892.94	
State 17	\$187,906.07	\$191,710.42	\$213,138.77					
State 18	\$133,278.98	\$139,688.98	\$164,429.68					
State 19	\$1,411.42	\$4,221.35	\$3,819.62					
State 20			\$69,288.09					
State 21	\$119,244.74	\$133,532.12	\$145,964.43					
State 22		\$68,327.82	\$121,357.43					
State 23			\$33,220.37					
State 24	\$109,422.14	\$118,234.16						
State 25	\$135,832.37	\$134,747.10	\$160,296.27					
State 26		\$70,967.58	\$133,972.75					
State 27	\$150,925.18	\$158,273.39	\$193,331.53					
State 28	\$124,838.81	\$114,332.22	\$130,417.18					
State 29			\$22,963.99					
Average	\$119,117.06	\$118,267.31	\$133,974.71		\$32,599.76	\$28,226.32	\$44,253.98	