
September 2004

www.tnchamber.org

A Roadmap to Meeting with Public Officials

Special to the Business Insider — Mike Stewart, Esq. of Waller Lansden Dortch & Davis

Let's assume you are opening a new business operation and set-up a meeting with county officials to discuss zoning, training incentives, water lines and all of the various issues that come up when a new business gets underway. Naturally, you have dinner at the best place in town, and over the meal you solidify relationships and hammer out the final details. At the end of the evening, you pick up the tab, refusing the local officials' request to pay their share.

This is all legal of course, right? Surprisingly, the answer is at best "maybe." A number of separate Tennessee laws impose severe civil and criminal sanctions on persons who improperly provide valuable goods, services and business opportunities to public officials. This article is a roadmap of the current laws that business executives can use to avoid legal risks when conducting business with persons affiliated with state, county or municipal governments. Such risks arise typically when public officials receive gifts, or, when they have business interests which are benefited by deals involving the county, town or other public entity they serve. Each of these situations is governed by its own set of laws.

Gifts to Public Officials

As a best practice, business persons working with public officials in Tennessee should generally avoid providing anything of value whether it is food, drinks, free transportation, event tickets, or professional services. While in certain circumstances such gifts may be perfectly legal and ethical, they are the subject of statutes and common law conflict of interest principles that are vague and have rarely been addressed by the courts. Any person providing such gifts has little certainty that any particular gift, if scrutinized, will be deemed lawful and appropriate.

For example, receipt by a "public servant" of anything of value could be viewed as "official misconduct" — a "Class E" felony. "Public servants" include every state, county, and municipal officer, employee or agent in Tennessee. While the statute makes taking such gifts a crime only when the recipient intends to obtain a benefit, the obvious benefit provided by a lavish dinner or pair of tickets to a sporting event could arguably meet this requirement. Criminal intent is generally a question of fact to be decided by a jury. Even if a public official does not have the required "intent to obtain a benefit or harm another," the prospect of having to prove that fact after a lengthy trial will make any act that could potentially violate the law a non-starter. While it is the official receiving the gift, not the individual providing it, who is subject to prosecution for this offense, the gift giver who places the official in such a difficult position will likely find his or her interests jeopardized by the negative publicity and public sentiments.

There is a legal safe harbor for public officials who receive gifts in connection with their existing personal and business activities. For example, a county commissioner can receive a "trivial" gift from the Rotary Club, of which he or she is a member, but possibly cannot receive the same gift from a business working with him or her as commissioner to develop an industrial site.

Even where an activity does not create a risk of prosecution, it may nevertheless be a "common law" conflict of interest which can get officials and executives in hot water. This type of conflict has been repeatedly recognized by the Tennessee Attorney General and has a broad and vague definition. The Attorney General has opined that "if gifts received by a county official put him or her in a position in which personal interest may conflict with public duty, there would be a common law conflict of interest." No Tennessee Court has ever recognized a "common law" conflict of interest and such a conflict

CONTINUED ON PAGE 2



611 Commerce Street
Suite 3030
Nashville, TN 37203-3742
615-256-5141
615-256-6726 Fax
www.tnchamber.org

Leadership

Board of Directors Chair
D. Lynn Johnson

President
Deborah K. Woolley

Assistant to the President
Judy Haggard

Vice President
Environmental Affairs
Wayne K. Scharber

Vice President
Employment Issues
Bob Gaskill

Director of
Government Relations
Roland Myers

Director of Membership
Doug Fouts

Director of Events
Suzie Lusk

Director
Tennessee Scholars
Ruth Woodall

Receptionist
Juanita Storz

Do's and Dont's of Meeting with Public Officials in Tennessee

CONTINUED FROM PAGE 1

carries no criminal sanction. Nevertheless, for most government officials, such a conflict will undoubtedly be perceived as unacceptable and may therefore become a deal breaker which makes the executive who contributed to the conflict *persona non grata* in the community where the conflict arises.

Business Opportunities for Public Officials

Business proposals which may involve the letting of contracts between numerous businesses and a governmental entity or its agent raise particular legal concerns. In addition to the general conflicts of interest laws that apply to all types of gifts, Tennessee has specific prohibitions against contracts between government officials and the government bodies they represent. Executives dealing with public officials should take particular care to understand when those officials may own or control other entities which may benefit from a given proposal.

Tennessee law provides that a state or local official whose official duties include "any work or any contract" may not be "directly interested" in such a contract. A direct interest includes a contract with the official or with a business owned or controlled by the official or in which he or she is a partner. Control of a corporation, for purposes of this law, does not require that an official own a majority interest but only the largest block of stock. Where a public official is the "sole supplier of goods or services in a municipality or county," he or she is considered to have an "indirect interest" which must be disclosed but does not disqualify the official from entering government contracts as would a direct interest.

Any other interest that is not a direct interest is also an "indirect interest" requiring public disclosure. A public official who violates the law by having either a direct interest in a government contract or an undisclosed indirect interest must forfeit all compensation under that contract, will be dismissed from office and will be made ineligible for that office or similar office for ten years.

It is important to keep these laws in mind as you navigate through the red tape while pursuing new business opportunities. They are in place to protect both you and those public officials you interact with as a business person.

Mike Stewart is a member of the law firm of Waller Lansden Dortch & Davis. He may be reached at 615-850-8856 or mike.stewart@wallerlaw.com.

Workers' Compensation Reform Law Update

- ✓ The Department of Labor and Workforce Development is currently writing proposed regulations for several elements of new law.
- ✓ The Medical Care and Cost Containment Committee is developing recommendations for a medical fee schedule to go into effect in 2005.
- ✓ The Tennessee Chamber is sponsoring Benefit Review Conference Workshops in October (see www.tnchamber.org for details).



2004 Business Plan: Mid-Year Report

A Message from the Tennessee Chamber Board Chair and President to Chamber Members:

The mission of the Tennessee Chamber of Commerce & Industry is to serve as your voice at the State Capitol while providing you with information, access to policymakers, professional training and the opportunity to help shape Tennessee's future. This Report reflects activities and events undertaken by Tennessee Chamber members, Board of Directors, Committee members, and the staff since January in support of that mission and the 2004 Business Plan. We welcome your comments and appreciate your strong support. Please contact us if we can assist you.

Sincerely,

D. Lynn Johnson, Chair, Board of Directors

Deborah K. Woolley, President

MEMBER SUPPORT

ADVOCACY

I. Develop and work for passage of the annual *Business Agenda*. The annual *Business Agenda* should reflect needs of the state's businesses and industries and offer proactive solutions for them. It should reflect input from members, local chambers and allies and should be adopted by the Board of Directors.

Mid-Year Report:

- Based on input from members and local chambers, the *Business Agenda* was approved by the Board of Directors in December 2003. The *Agenda*, a statement of the Chamber's legislative and regulatory principles, included two proactive legislative solutions: reform of the state's workers' compensation system and a method to curb health care mandates on employers. Both initiatives were passed by the General Assembly and signed into law by the Governor.
- The *Agenda* guides the Chamber's ongoing advocacy efforts on legislation and regulation affecting business.

II. Increase members' understanding and involvement in advocacy, issues and the political process. A successful advocacy program involves a partnership with the Chamber's members and government affairs staff to include maximum participation from the Chamber's Public Affairs Committee, an active grassroots network, ongoing input from Chamber members and members' involvement on state policy boards.

Mid-Year Report:

- More than 100 members attended the annual Public Affairs Conference in January (attendance was three times previous records). Representatives of the Governor's office, his Cabinet and both bodies of the legislature participated.
- A grassroots network (the "Jobs Coalition") of more than 350 businesses and local chambers was established in support of workers' compensation reform. The network supported the work of business lobbyists and the Administration and was extremely effective in communicating its message and garnering the support of policymakers, resulting in enactment of the workers' compensation reform measure.
- The Public Affairs, Tax, Environment and Human Resources Committees discussed and approved policy statements and positions for legislative action.

CONTINUED ON PAGE 4



CONTINUED FROM PAGE 3

- The Chamber currently has member-representatives on eight state boards, including the Petroleum Underground Storage Tank Board, the TOSHA Advisory Council and the Medical Care and Cost Containment Committee among others. By state law, the Chamber provides nominees to the Governor or appropriate agency for selection.
- The Chamber issued targeted grassroots messages on several bills, effectively communicating to legislators the business community's position.
- The *Capitol Update* was distributed to Chamber members each week of the General Assembly's session.

III. Influence the state's legislative, regulatory and political climate through a highly visible *Business Agenda* and monitoring of state policy issues. *The General Assembly must be reminded that anti-business positions are a direct action against job creation. The Chamber must utilize the strength of its members to actively promote passage of the annual Business Agenda and to react to other legislation that is introduced during the course of the session. In close cooperation, the Chamber must also work to create positive relations with key legislators, providing them the information necessary to adopt Chamber positions.*

Mid-Year Report:

- The *Agenda* was shared with the state legislature, Governor's office, other state officials, local Chambers and allied trade groups after Board approval.
- The Chamber tracked more than 1,500 bills during the January-May legislative session, as well as numerous proposed regulations. The *Agenda* guided the Chamber's advocacy efforts as it worked with Chamber members and allied business organizations to promote pro-business legislation. In the 2003-2004 sessions, 50 bills were identified as significantly affecting business. Of these 50 bills, 44 pro-business bills were approved; three anti-business bills passed; two pro-business bills failed to win approval; and, the potential negative impact of one bill became neutral due to a Chamber-drafted amendment.
- *Position Papers* were developed for each bill on which the Chamber Board had taken a position and those *Position Papers* were used to communicate to members, local chambers, legislators and the media.
- The Chamber worked closely with dozens of members of the legislature advocating on behalf of the *Agenda* through direct lobbying as well as acting as an information resource on business issues.
- Chamber members and staff testified before state legislative committees regarding a variety of issues.
- The Chamber filed an *amicus curiae* ("Friend of the Court") brief on behalf of a Chamber member involved in litigation with the state Department of Revenue.

IV. Identify, develop and use financial resources to support pro-business candidates for state office. *Legislators who support the Chamber's positions and work for a positive business climate should be recognized and supported by the Chamber's Political Action Committee. The PAC Subcommittee must actively maintain adequate funds and ensure a meaningful distribution of them.*

Mid-Year Report:

- The Political Action Committee's Subcommittee discussed candidates and approved the disbursement of funds to pro-business candidates.
- A process was established to track and acknowledge candidate's requests for PAC support.
- Numerous Chamber PAC-fund-raising solicitations were tailored and sent to various segments of the membership resulting in more than \$12,000 in PAC-to-PAC and personal contributions. To date, \$3,000 has been disbursed to candidates supportive of the *Business Agenda*.

V. Utilize the Chamber's affiliation with the National Association of Manufacturers and the U.S. Chamber of Commerce to influence national legislation and to serve as a conduit of information about federal issues to members. *As the state affiliate of*



CONTINUED FROM PAGE 4

the National Association of Manufacturers and as a member of the U.S. Chamber, the Tennessee Chamber can leverage its influence on national issues by corresponding directly with federal elected officials and by activating members to contact federal elected officials.

Mid-Year Report:

- The Chamber is represented on the NAM's National Public Affairs Steering Committee and was selected to serve on the executive committee of the NAM's National Industrial Council/State Associations Group. Staff attended meetings in Washington, D.C., and New Orleans.
- Regional manufacturing roundtable meetings were conducted with Chamber members and U.S. Representatives Bill Jenkins and Lincoln Davis.
- Letters expressing the Chamber's support for key federal-level issues were sent to members of Tennessee's Congressional delegation.
- The Chamber arranged meetings with the American Chemistry Council and the NAM regarding chemical industry issues.
- The Chamber filed an *amicus curiae* brief on behalf of its members in a case now under consideration by the National Labor Relations Board.

COMMUNICATIONS

I. Establish the Chamber as the preeminent, unified voice of business in Tennessee. *The Chamber should conduct regional meetings to discuss legislative and business-related issues; and it should create opportunities, such as the Annual Meeting and Legislative Reception, for members to interact with elected officials.*

Mid-Year Report:

- Attendees of the 2004 Annual Meeting and Legislative Reception met face-to-face with the Governor, Cabinet officials and legislators.
- The Chamber was designated as the business community's point of contact by the Governor in the effort to enact workers' compensation reform.
- Chamber staff met regularly with the Governor, Cabinet members, legislators and state officials throughout the year advocating on behalf of members.
- The Chamber helped plan and participated in six regional workers' compensation reform meetings; more than 1,000 business leaders, legislators and state officials attended these meetings.

II. Communicate with members in ways that meet their needs and furthers the Chamber's goals by keeping members up-to-date and informed on business issues and Chamber news and activities. *A member-driven organization must always listen to its members by seeking input from them regarding certain legislative issues and the quality of services being provided and ensure that communications are timely, accurate and provided in a method that is convenient and reflects well on the Chamber. In addition to publishing the monthly Business Insider, the Chamber should send legislative updates and alerts to members and maintain its web site.*

Mid-Year Report:

- Since January, the *Business Insider* newsletter was published on a monthly basis and sent to all members. The *Insider's* format and content is reviewed each month to improve its readability and timeliness. Articles by members deliver a new level of expertise on various issues.

CONTINUED ON PAGE 6



CONTINUED FROM PAGE 5

- Members received twenty-five *Capitol Updates* and *Alerts* by e-mail and fax informing them of the status of various legislative issues and calling for political action when needed.
- Member input on legislative issues was solicited at the January Public Affairs Conference and the March Annual Meeting and Legislative Reception.

III. Effectively communicate the *Business Agenda* to external audiences. *The Chamber should always endeavor to represent the position of the business community and to create an atmosphere in which the public understands that a business agenda is a jobs agenda. The Chamber should maintain updated, accurate legislative “bill statements” (Position Papers) reflecting the Chamber’s position; and, seek opportunities for Board and staff members to address audiences on the Chamber’s behalf.*

Mid-Year Report:

- Chamber representatives, staff and volunteers, spoke at more than 30 Chamber-member (and non-member) sponsored events across the state regarding business issues. Examples include: Jackson Area Chamber of Commerce Government Affairs Committee; Cleveland Rotary Club; and, the East Tennessee Industrial Development Group.
- Staff and volunteers participated in numerous media interviews regarding business issues, including live television and radio programs, in addition to newspaper and magazine articles.
- The Chamber is represented as a member of the Governor’s “Jobs Cabinet,” a group of business leaders whose express purpose is to review economic and employment conditions in the state and look for ways to promote growth.
- The Chamber’s position regarding new clean air standards and the corresponding responsibility by the U.S. Environmental Protection Agency to designate non-attainment areas of the state were presented to the State Air Pollution Control Board.
- Members’ positions on legislation were communicated using *Position Papers* approved by the Public Affairs Committee. The statements were updated regularly, often on a daily basis during the legislative session.

IV. Market Chamber events, publications, seminars, services, and membership opportunities. *The Chamber’s identity is important to the organization and to its members. There must be standards for “regular” and “priority” Chamber communications; and, there must be a consistent and uniform standard for Chamber documents and publications.*

Mid-Year Report:

- Chamber members received regular notice regarding Chamber-sponsored events, such as seminars, conferences and meetings, through mailed brochures, faxes and e-mail messages. As needed and when practical, communications are designated as priority.
- Each communication piece is reviewed before distribution to ensure consistency, uniformity and appeal, ensuring that the Chamber and its members are represented in a professional manner.

MEMBER RELATIONS

I. To the extent necessary and appropriate, maximize member value and involvement in the Chamber’s mission and goals. *Members are the strength of the Chamber and must be an integral part in all that it does. Regional meetings provide an opportunity to share and receive information as do annual meetings; members should have access to other members and Committees should provide policy direction to the Chamber.*

Mid-Year Report:

- The regional workers’ compensation reform meetings provided an opportunity for members to meet, network and discuss the



CONTINUED FROM PAGE 6

business community's top legislative priority.

- Chamber staff serves as staff for the Tennessee Chamber of Commerce Executives (TCCE) and the Tennessee Industrial Development Corporation (TIDC).

Examples of TIDC/TCCE activities include: Two-day training "TCCE Institute" at Middle Tennessee State University; the TIDC "Day on Capitol Hill" in Nashville; and, the joint TIDC/TCCE/state Department of Economic and Community Development reception.

II. Work to help member companies address concerns about workforce availability and preparation. *Through the Tennessee Scholars program, the Chamber must help provide a system in which students are better prepared for workplace opportunities and ensure that an ongoing relationship is built with educators to ultimately impact state education policy.*

Mid-Year Report:

- Since April 2003, the Tennessee Scholars program has grown from two pilot communities to three fully implemented communities.

- *The first Tennessee Scholars graduated at Dyersburg City Schools and Dyer County Schools.*
- *Seven new communities are scheduled to implement the program later this year.*
- *More than 10,000 8th grade students have received the presentation.*
- *Staff has spoken to more than 25 Chambers, community groups and school superintendent meetings regarding the program.*

- A comprehensive listing of 452 jobs in Tennessee and Kentucky, the *2004 Wage and Benefit Survey*, was made available to members.

III. Provide training through seminars and publications that will enable companies to better operate effectively and profitably. *Training courses and publications should reflect member needs, provide added value and be professional. Ongoing input from members should help guide selection of new courses and offerings.*

Mid-Year Report:

- The Chamber offered more than 30 training seminars and conferences to members covering 11 topics. More than 800 Chamber members attended these meetings.

IV. Encourage greater member leadership of the Chamber through a viable, open board and committee process. *Chamber membership is a responsibility that members do not take lightly; as a result, they should be encouraged to be involved. There should also be an ongoing effort to identify and recruit members willing and able to commit to leadership roles.*

Mid-Year Report:

- The Chamber Board of Directors met in Nashville on its quarterly schedule.
- The Public Affairs, Tax, Environment and Human Resources Committees discussed and approved policy statements and positions for legislative action.
- Each Committee considered and adopted operating procedures to guide its role, conduct and membership.
- All Committees continue to build membership.

V. Increase Chamber staff visits to member facilities throughout the state. *Chamber staff and leadership should visit members in their facilities and in their communities, maximizing the impact of the partnership between Chamber and member.*

CONTINUED ON PAGE 8



CONTINUED FROM PAGE 7

Mid-Year Report:

- Members were visited in their communities or their facilities to solicit input on business issues and the Chamber’s role as their association. For example: Staff attended a community open house in Memphis at the Premcor Refinery, and subsequently attended a local air coalition meeting at the invitation of the County Mayor.

CHAMBER MANAGEMENT

MEMBER SERVICES

I. Provide new avenues for members to exchange ideas. *The Chamber has the responsibility to create greater networking opportunities for members and to provide methods, such as “hotlines,” for members to seek support from other members. A webpage listing of members could further facilitate member-to-member communications.*

Mid-Year Report:

- The Chamber continues to explore meaningful and cost-efficient mechanisms that can be undertaken with current resources.

II. Serve as a resource and information clearinghouse for members. *Examine the feasibility of developing and maintaining a job resource and placement webpage.*

Mid-Year Report:

- The Chamber regularly facilitates the needs of members to identify services or peers.
- As resources permit, this service will be put into place.

III. Work to be sure that all members can take advantage of all member benefits. *Ensure adequate product creation and marketing opportunities for products offered by the Chamber, either directly or through its Service Corporation.*

Mid-Year Report:

- Chamber members continue to utilize a workers’ compensation Trust and health insurance opportunities.
- CompData, a new salary/benefit survey, collected information from Chamber members and provides a compilation of Kentucky and Tennessee data to members at a greatly reduced cost.

ADMINISTRATION

Staffing

I. Ensure adequate staff levels and competence to achieve the Chamber’s goals and mission. *Like any well-managed business, the Chamber must provide adequate staff training and cross-training of skills; it must maintain adequate staff levels and competence and it must look at future staffing needs in the areas of communications, advocacy, membership, and accounting. It must also have a viable planning and evaluation system that encourages employee accountability.*

Mid-Year Report:

- The Chamber added a staff person to direct the Tennessee Scholars education program.

Financial

I. Increase the Chamber’s financial resources to allow the Chamber to meet its goals, accomplish its mission, provide value to members and build for the future. *The Chamber must recognize that to be a well-run business, it must be a well-financed*



CONTINUED FROM PAGE 8

business. The Chamber and its Service Corporation must identify, market, and sell publications to members offering information they need, it must evaluate all programs and events as well as membership investment levels to ensure that members and the organization are receiving the value that should be expected and it must work to increase its membership base to provide an even greater unified voice of business.

Mid-Year Report:

- The Chamber assumed the operations of its Service Corporation May 1 and is addressing financial and client issues.
- The Chamber received a “clean” consolidated financial audit.
- Chamber membership growth and renewal goals established by the Board are on track.

II. Maintain information systems and procedures that support the Chamber’s mission and provide timely data and accountability regarding the Chamber’s financial position.

Mid-Year Report:

- The computer server was replaced to offer increased capacity and security as well better connectivity for e-mail and web-based communications with members.

III. Determine and maintain reserves at adequate levels.

Mid-Year Report:

- Reserves remain above the \$200,000 level.

IV. Maintain systems and oversight to satisfy Generally Accepted Accounting Principles (GAAP) and annual audit needs.

Mid-Year Report:

- Staff continues to manage the Chamber’s financial operations in accordance with GAAP and the annual audit.

PHYSICAL OPERATIONS

I. Ensure that office equipment and systems are adequate so Chamber staff may meet members’ needs. *The Chamber must maintain the necessary resources to communicate with its members and to enable staff to effectively and efficiently complete their jobs. The Chamber must maintain an adequate, up-to-date and secure computer system which allows offsite access to e-mail and files; it must maintain and protect an accurate database and it must provide adequate staff training and cross-training of skills. Through it all, the Chamber must provide safe storage and backup of computer and hard-copy files.*

Mid-Year Report:

- On an ad hoc basis, the Chamber uses contractors to correct network, PC and copy machine problems.
- The Chamber replaced and upgraded its computer server in an effort to maintain efficiency, security and quick member communication.
- The membership database is maintained on an ongoing basis.
- All electronic information is regularly backed up and hard-copy files are maintained.



New Practices and Old Trends

Employers and employees alike are exceedingly aware of the effects of rising healthcare costs. Organizations are challenged to balance these expenses without placing the full burden on employees. In doing so, employers are mixing new ideas with more common cost reduction measures.

More than 60 percent of Tennessee and Kentucky organizations saw an increase in their healthcare premium costs in 2004, with an average increase of 14.5 percent. Although companies are still realizing double-digit increases, the rise is not as drastic as seen in recent years. In 2003, the average increase was 15.7 percent and the 2002 average reached 18.4 percent. This is according to the *Compensation Data 2004 — Kentucky / Tennessee* pay and benefits survey sponsored by the Tennessee Chamber of Commerce & Industry.

Health Insurance Premiums

While this may be a step in the right direction, employers are still facing rising costs and must utilize methods to control and reduce healthcare expenses. The most common approach is increasing the employee portion of the healthcare premium, which 46.3 percent of area employers did in 2004. In each of last three years, approximately half of organizations have passed more of the premium costs to employees.

In another attempt to decrease costs, 13.6 percent reduced the amount of benefits offered. To counter this reduction, organizations are offering more voluntary benefits. However, employees are painfully aware of the effects of these rising costs and loss of benefits. Not only do employees find the issue important, but they also want

Compensation Data 2004 — Kentucky / Tennessee

is available for \$729, with major discounts available for Chamber members who agree to submit data in next year's survey.

Companies interested in participating in next year's survey can buy a two-year subscription and receive the 2004 survey for \$419.

For information or to order a copy, call Compdata Surveys at (800) 300-9570 or visit www.compdatasurveys.com.

to feel they play a part in benefit plan evaluations.

One option to involve employees in decisions is offering a flexible spending account (FSA). In Tennessee and Kentucky, 73.5 percent of organizations offer an FSA. In the past, some employees have been hesitant to utilize flexible spending accounts due to the fear of losing money not spent.

However, a new IRS ruling effective January 1, 2004 allows reimbursements for many over-the-counter medications. A larger range of medical expenses is now eligible for reimbursement on a pre-tax basis through FSA's, thus making the program more attractive. As a result, we may see an increase in utilization based on employees' growing confidence in the program.

HMO Plans

HMO plan popularity has steadily declined over the past few years. While 92.6 percent of organizations now offer

a PPO plan, only 21 percent offer an HMO. One occurrence in 2004 is the lack of deductibles required with many HMOs. This may be an attempt by employers to make the less popular HMO plan more attractive to employees.

In 2002, 89.6 percent of companies with HMOs required deductibles, and in 2003, 81.5 percent reported deductibles. However, this number changed dramatically in 2004 with only 47.2 percent offering HMOs with deductibles. This change may be largely due to HMOs attempting to compete with PPOs. The end result of this emerging trend remains to be seen.

Pay and Recruitment

Tennessee and Kentucky's average pay increase budget rose slightly to 3.44 percent in 2004, but current economic conditions may drive that figure even higher. With over 84 percent of area organizations actively recruiting, it is likely that pay increase budgets will increase by the end of the year. Although Tennessee and Kentucky employers are only projecting a pay increase budget of 3.42 percent for 2005, many signs point to a rise in inflation, which will ultimately determine the direction of future budgets.

Compensation Data is an annual survey of compensation practices in Tennessee and Kentucky and is conducted by Compdata Surveys. The survey is the largest of its kind, with 452 job titles ranging from entry-level positions to top executives. Compdata Surveys, the Tennessee Chamber of Commerce & Industry and the Kentucky Chamber of Commerce partner to conduct this survey and publish the results in *Compensation Data 2004 — Kentucky / Tennessee*.



Prepare for 2005 by Attending Environmental and Tax Conferences

The Tennessee Chamber is sponsoring two seminars this fall to help you prepare for regulatory changes and opportunities next year.

The Chamber's **Annual Environmental Awards Conference** is October 26-27 at Montgomery Bell State Park near Dickson, Tennessee. This annual environmental conference provides us the opportunity to meet with senior regulatory officials and to learn what new initiatives and procedures are forthcoming. This meeting also gives us the chance to discuss those issues which are problematic for the business community. For example, we will discuss the air pollution control regulations now being expanded due to the new ozone and PM2.5 standards. The counties being added for vehicle inspection are being increased and more vehicles are subject to these expanded regulations. Will your industry or business be able to comply? Attend this conference and learn about these requirements and learn how to avoid non-compliance penalties.

We will be presenting awards and special recognitions to those industry representatives who have gone the extra mile and made accomplishments in hazardous waste management, air emissions control, solid waste management, and water quality improvements.

Remember to get your nominations in for awards before September 24. The application form is at www.tnchamber.org. Lodging reservations can be made by calling 1-800-250-8613 or 615-797-3101. (The Conference code for lodging reservations is 2601.) The Conference will begin with a joint luncheon with TDEC's Pollution Prevention Roundtable (Planting P2 Conference). Commissioner Betsy Child is invited to be our speaker for this luncheon. Governor Phil Bredesen is invited to be our Awards dinner speaker. The complete program for the conference is available at www.tnchamber.org.

The **Business Tax Seminar**, sponsored by the Chamber, will be held November 4 at the Millennium Maxwell House Hotel in Nashville. A number of senior Department of Revenue staff members, including Commissioner Loren Chumley, will address the latest changes in the tax code. In addition to the opportunity to interact with officials, participants will learn about recent court decisions affecting tax compliance. Economic and Community Development Commissioner Matt Kisber is invited to be the luncheon speaker to address the various tools and incentives available for expanding your business or siting new industry. As in the past, attendees at this seminar are eligible for professional training credits.

October 1 Deadline for Nominations to the Tennessee Chamber Board of Directors

The Nominating Committee of the Tennessee Chamber of Commerce & Industry is seeking individuals to serve on the Chamber Board of Directors.

Board members will serve a two-year term.

The Tennessee Chamber's Board of Directors is the governing body of the Tennessee Chamber. To be elected to the Board of Directors, an individual must be a member or a representative of an active member company.

If you have an individual you would like the Nominating Committee to consider, send the name, position, company, address and telephone number along with any comments you might have to:

*Chairman, Nominating Committee, Tennessee Chamber of Commerce & Industry
611 Commerce Street, Suite 3030, Nashville, TN 37203*

All nominations are due October 1. The Nominating Committee will report the nominees to the membership in the November *Business Insider*.

Are You Ready for November 2?

To make a pro-business impact on this year's elections, the Tennessee Chamber encourages you to register to vote in the state's general election November 2. The registration process is simple. To register and vote in Tennessee:

- ✓ Be a U.S. Citizen, a state resident, have never been convicted of a felony, and be at least 18 years of age by Election Day.
- ✓ Register to vote at least 30 days before Election Day.
- ✓ Complete a "Voter Registration Form" and return it in person or by mail to the County Election Commission.
 - If you register to vote by mail, you must vote in person the first time you vote.
 - You may not register to vote on-line or by e-mail.
 - If you have moved or changed names and are already registered to vote, you must notify your County Election Commission 30 days before the election.
- ✓ Get to the polls on Election Day and cast your ballot!

A voter registration form, and more voter information, is available at www.tnchamber.org.

2004 Upcoming Seminars

September 8	Maintenance Related TOSHA Compliance	Kingsport	\$199 / 245 *
September 9	Noise	Nashville	\$199 / 245
September 14	Basic Safety	Dyersburg	\$199 / 245
September 21	Basic Safety	Johnson City	\$199 / 245
September 22	Employment Law Workshop	Kingsport	\$199 / 245
September 28-29	10-Hour OSHA	Jackson	\$199 / 245
October 5	Safety Programs	Jackson	\$199 / 245
October 6	Employment Law Workshop	Knoxville	\$199 / 245
October 8	Employment Law Workshop	Dickson	\$199 / 245
October 12	Benefit Review Conference Workshop	Jackson	\$199 / 245
October 13-14	10-Hour OSHA	Knoxville	\$245 / 295
October 15	Benefit Review Conference Workshop	Nashville	\$199 / 245
October 20	Benefit Review Conference Workshop	Knoxville	\$199 / 245
October 21	Benefit Review Conference Workshop	Kingsport	\$199 / 245

To register, contact Suzie Lusk at 615-256-5141 or at suzie.lusk@tnchamber.org.

**Non-Member Rate*



611 Commerce Street
Suite 3030
Nashville, TN 37203-3742

PRESORTED
FIRST CLASS
U.S. POSTAGE
PAID
NASHVILLE, TN
PERMIT # 635