

HAYWOOD COUNTY COMMISSIONERS

REGULAR MEETING – APRIL 2, 2012

CALL TO ORDER

Chairman Mark S. Swanger convened the regular meeting of the Haywood County Board of Commissioners at 9:00 a.m. in the Historic Courtroom at the Haywood County Historic Courthouse, Waynesville, North Carolina, with Chairman Mark S. Swanger, Vice-Chairman J.W. “Kirk” Kirkpatrick III, Commissioners L. Kevin Ensley, Michael T. Sorrells, and Bill Upton present. Staff members present were County Manager Marty Stamey, County Attorney Leon M. “Chip” Killian, III, Finance Director Julie Davis, Public Information Officer David Teague, and Executive Assistant/Deputy Clerk Amie Owens.

PLEDGE OF ALLEGIANCE

Chairman Swanger led the pledge of allegiance.

INVOCATION

Vice-Chairman Kirkpatrick offered the invocation.

CALL FOR PUBLIC HEARING

Chairman Swanger recognized Kris Boyd, Planning Director. Mr. Boyd requested a public hearing on May 21, 2012 for voluntary annexation into the Upper Chestnut Grove Road Service District; this annexation is for one property and Mr. Boyd has documentation from the property owner of the consent for annexation. The reason for the delay in the public hearing is related to statute that requires four week written notice to the property owner prior to the public hearing.

Chairman Swanger noted that if there were no objections, a public hearing would be scheduled for 5:30 p.m., May 21, 2012 at the regular meeting.

Chairman Swanger recognized David Teague, Grants Coordinator. Mr. Teague requested a public hearing on April 16, 2012 to present the completed Community Development Block Grant Scattered Site Housing application. Since the last public hearing, a set of priorities for funding has been established and will be presented for public input.

Chairman Swanger noted that if there were no objections, a public hearing would be scheduled for 5:30 p.m., April 16, 2012 at the regular meeting.

PUBLIC COMMENT SESSION

Chairman Swanger opened the public comment session. Comments are generally limited to three minutes per individual, unless the speaker is representing a group for which the comment period may be extended to five minutes. No one addressed the Board.

Chairman Swanger closed the public comment session.

CONSTITUENT CONCERNS

Commissioner Upton noted that there has been concern voiced regarding the amount of trash on the roads within the county since the loss of the prison and the inmate workforce. County Manger Stamey noted that there was a trash pick-up conducted on March 31, 2012 in Canton at Exit 31 off I-40 with the North Hominy Civic Club; Representative Ray Rapp and Town of Canton Aldermen participated. Mr. Stamey explained that Representative Rapp is working with the NC Department of Corrections (NCDOC) and NC Department of Transportation (NCDOT) to develop a cooperative agreement that may allow for renewed work by inmates. Mr. Stamey noted that he has been working with the various civic clubs, Mr. Boyd and Stephen King, Solid Waste Director, to coordinate a community effort. The Commission for a Clean County is coordinating the April Clean Sweep; many of the civic clubs and other community groups are already beginning clean-up efforts. Chairman Swanger asked if there had been any progress regarding use of individuals who have been sentenced in the county. Mr. Stamey noted that a decision has not been received from the judges regarding this issue.

Commissioner Sorrells noted that the open house at the Senior Center was well attended and well received. Commissioner Sorrells added that the senior center is an asset to the county.

DISCUSSION / ADJUSTMENT / APPROVAL OF CONSENT AGENDA

There were no adjustments to the agenda.

CONSENT AGENDA

Commissioner Sorrells made a motion that the consent agenda as presented be approved. Commissioner Ensley seconded, the motion carried unanimously.

- Approval of March 19, 2012 regular meeting minutes
- Budget Amendment:
 - Tax Collection - \$3,000 – legal and advertising costs and reclass of \$58,000 for cell tower audits between departments.

Julie Davis, Finance Director, explained that additional legal expenses were incurred for collection of delinquent taxes; the expense is passed to the taxpayer upon payment of delinquent taxes and is reimbursable. The \$3,000 is for the remainder of FY 2012. In order for the reclassified expense to be

- Budget Amendment - DSS - \$30,000 – public assistance Medicaid Transportation

Justification for Contract Amendment
Elite Transportation Associates
Contract # K044-016-12

DSS contracts with Elite Transportation Associates (ETA) to provide Medicaid transportation for qualified recipients. Medicaid Transportation is a mandated program that is 100% reimbursable so long as the qualified recipient receives a Medicaid-covered service and the transportation method is the least expensive means available and appropriate for the recipient. In Medicaid transportation policy revisions effective January 1, 2012, the State clarified that failure to use the least expensive method of transportation could result in denial of Medicaid reimbursement for the transport(s). Elite Transportation Associates (ETA) has the most cost effective rates for transportation outside of Haywood Counties to such locations as Chapel Hill, Durham, and Winston-Salem and is used when the medical transportation will be long distance. Through February 2012 DSS agency staff have arranged and coordinated 6,359 medical transports for qualified recipients, which is an average of 795 trips per month. To be cost effective in scheduling medical transportation and remain compliant with State Medicaid policy requirements, we request a contract amendment for an additional \$15,000 to have adequate contracted funds to utilize ETS for the remainder of fiscal year 2011/2012.

Contract Addendum
Haywood County Department of Social Services
Fiscal Year Begins July 1, 2011 and Ends June 30, 2012
Contract # K044-016-12
Amendment #1

SECTION I

Agency: Elite Transportation Associates
Program: Medicaid Transportation
Effective Period of the Contract: July 1, 2011 – June 30, 2012

This Contract Addendum amends the contract between the Haywood County Department of Social Services (the "County") and Elite Transportation Associates (the "Contractor"). As provided for under the terms of the contract, The County and Contractor agree to amend the provision(s) indicated in Section II below.

SECTION II

Justification/Change to Contract:

Due to an increase in volume of customers requiring Medical Transportation services, and based upon actual year-to-date expenditures and projected future costs for Medical Transportation services, the contract between the County and Contractor is amended to increase by \$15,000 for an annual total of \$22,500. This total amount is for services provided during fiscal year 2011/2012 beginning July 1, 2011 and ending June 30, 2012.

Contractor shall utilize the appropriate Transportation Billing Codes when submitting invoices to the County for reimbursement. All invoices with incomplete or inappropriate documentation or missing codes shall be returned to Contractor for correction.

Contractor shall report information to the County for each recipient who fails to be available for a scheduled transportation pick up, on a daily basis, and information about cancellations on a monthly basis.

Contractor shall agree to an obligation that no more than one quarter of one percent of all trips be missed by the vendor during the course of the contract period.

Contractor shall agree to an obligation to meet on time performance standards such that no more than five percent of trips should be late for recipient drop off to their appointment per month.

Contractor shall report any changes such as insurance provider, business ownership or management to the County.

Contractor agrees to provide the names of all owners, managers, management entities, and subcontractors.

Contractor shall report exclusion from participation in Medicare or North Carolina Medicaid to the County.

Contractor shall agree to allow monitoring of records to ensure all contract requirements are being met.

Contractor shall agree to bill the county separately for any agreed upon costs for no-shows or driver wait time.

Contractor shall agree to an obligation to record and provide to the County all recipient complaints which deal with matters under the Contractor's control, including the recipient's name, recipient's Medicaid Identification Number, date the complaint was made, the nature of the complaint, and what steps were taken to resolve the complaint.

Contractor shall participate in a random alcohol and drug testing program which meets the requirements of the Federal Transit Authority. Contractor shall be responsible to pay for the alcohol and drug testing program.

SECTION III

All other terms and conditions set forth in the original contract shall remain in effect for the duration of the contract. The contract specified above is amended by this Contract Amendment effective March 1, 2012.

Contractor

County

PPR
Signature
By: PATRICK PAVONE
Print Name
Title: PRESIDENT
Date: 3-13-12

[Signature]
Signature
By: Iron Day
Print Name
Title: HCDSS Director
Date: 3/14/12

This agreement has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Attest:

County: JULIE H. DAVIS
Title: FINANCE DIRECTOR

Signature: [Signature]
Date: 4/2/12

Justification for Contract Amendment
Premier Cab Company
Contract #K044-40-12

DSS contracts with Premier Cab Company to provide Medicaid transportation for qualified recipients. Medicaid Transportation is a mandated program that is 100% reimbursable as long as the qualified recipient receives a Medicaid-covered service and the transportation method is the least expensive means available and appropriate for the recipient.

In Medicaid transportation policy revised and effective January 1, 2012, the State clarified that failure to use the most cost effective method could result in denial of Medicaid reimbursement for the transport(s). Premier Cab Company is primarily used for transportation services in the regional area. Premier Cab charges per mile rather than a flat fee, and in some instances is the most cost effective means for local or regional trips. Premier Cab does not charge for additional passengers such as a parent accompanying a minor child or a caretaker accompanying a disabled adult.

Through February 2012 agency staff have arranged and coordinated 6,359 medical transports for qualified recipients, which is an average of 795 trips per month.

To be cost effective in scheduling medical transportation and remain compliant with State Medicaid policy requirements, we request a contract amendment for an additional \$15,000 to have adequate contracted funds to utilize Premier Cab Company for the remainder of fiscal year 2011/2012.

Contract Addendum
Haywood County Department of Social Services
Fiscal Year Begins July 1, 2011 and Ends June 30, 2012
Contract # K044-040-12
Amendment #2

SECTION I

Agency: Premier Cab Company
Program: Medicaid Transportation
Effective Period of the Contract: July 1, 2011 – June 30, 2012

This Contract Addendum amends the contract between the Haywood County Department of Social Services (the "County") and Premier Cab Company (the "Contractor"). As provided for under the terms of the contract, The County and Contractor agree to amend the provision(s) indicated in Section II below.

SECTION II

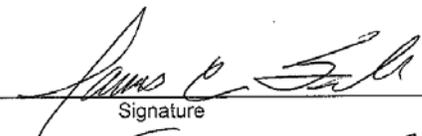
Justification/Change to Contract:

Due to an increase in volume of customers requiring Medical Transportation services, and based upon actual year-to-date expenditures and projected future costs for Medical Transportation services, the contract between the County and Contractor is amended to increase by \$15,000 for an annual total of \$50,000. This total amount is for services provided during fiscal year 2010/2011 beginning July 1, 2011 and ending June 30, 2012.

SECTION III

All other terms and conditions set forth in the original contract shall remain in effect for the duration of the contract. The contract specified above is amended by this Contract Amendment effective March 1, 2012.

Contractor


Signature

By: JAMES C SISK
Print Name

Title: OWNER

Date: 19 MAR 12

County


Signature

By: Eric Doy
Print Name

Title: Director HCSS

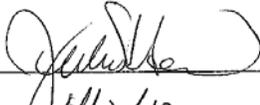
Date: 3/21/12

This agreement has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Attest:

County: JULIE H DAUS

Title: FINANCE DIRECTOR

Signature: 

Date: 4/12/12

ADMINISTRATIVE/AGENCY REPORT

Ms. Davis presented the quarterly financial report for Smoky Mountain Center for the quarter ending December 2011. She noted that revenues were \$23,313,746 and expenses \$23,582,541; resulting in a net decrease in cash balance of \$268,795. Ms. Davis explained that she was also reporting the final audited June 2011 numbers; the unaudited numbers for the FY 2011 were presented at a previous meeting. The audited report showed a difference of \$57,000, which was close to the previously reported amount.

Smoky Mountain Center
44 Bonnie Lane
Sylva, NC 28779



Area Administrative Office
828-586-5501
www.smokymountaincenter.org

"Meeting community needs... one person at a time."

March 8, 2012

Dear County Finance Officer:

Enclosed you will find Smoky Mountain Center's fiscal monitoring report (FMR) for the quarter ended December 31, 2011, and the final audited financial statements and FMR for the fiscal year ended June 30, 2011.

To remind all Finance Officers: S.L. 2006-142 amended G.S. 122C-117(c) to require the Area Director and Area Authority Finance Officer to submit quarterly finance reports to the County Finance Officer, instead of submitting to each member of each board of County Commissioners participating in the Area Authority. The County Finance Officer is then to submit the report to the Board of County Commissioners at its next regularly scheduled meeting.

This FMR is the financial report intended to be provided to comply with the general statutes.

If you have any questions regarding the enclosed reports, please e-mail Lisa Slusher, Finance Officer, at: lisa@smokymountaincenter.com; or Sherri Hayes, Accounting Manager, at: sherri@smokymountaincenter.com.

Sincerely,

Sherri L. Hayes, BS
Accounting Manager
Smoky Mountain Center

Enclosure

*Serving individuals with mental health, developmental disability or substance abuse issues
in Alexander, Alleghany, Ashe, Avery, Caldwell, Cherokee, Clay, Graham, Haywood,
Jackson, Macon, McDowell, Swain, Watauga and Wilkes Counties*

Division of Mental Health, Developmental Disabilities & Substance Abuse Services
 Quarterly Fiscal Monitoring Report
 SMOKEY MOUNTAIN CENTER

For the period ending: _____
 # of month in the fiscal year: 6
 (July = 1, August = 2, ..., June = 12)

1. REPORT OF BUDGET VS. ACTUAL

ITEM	CASH Accrual <input checked="" type="checkbox"/>	PRIOR YEAR 2010-2011		CURRENT YEAR		ANNUALIZED PERCENTAGE **
		BUDGET	ACTUAL	BUDGET	ACTUAL YR-TO-DATE	
REVENUE						
Client Fees		312	12,381		143	(143)
Medicaid - "Regular Fee-for-Service"		8,511,864	8,110,371	6,720,000	3,945,231	2,774,769 117.42%
Medicaid - CAPM/RDD		600,000	540,293	540,000	235,364	304,636 87.17%
Medicare		15,000	18,226	-	557	(557) #DIV/0!
Insurance		2,500	15,239	-	(805)	905 #DIV/0!
Other Local		639,160	636,853	894,861	524,857	340,204 121.53%
Appropriation of Fund Balance *		550,000	-	-	-	6,178,620 0.00%
Total Local Funds		10,318,936	8,333,333	13,300,481	4,705,147	5,589,334 70.74%
County Appropriations (by county):						
ALEXANDER County		37,825	37,825	37,825	18,913	18,912 100.00%
ALLEGANY County		115,483	115,483	186,715	128,874	57,741 138.15%
ASHE County		186,568	189,568	371,564	276,781	94,783 148.98%
AVERY County		92,400	92,400	270,469	224,269	46,200 100.00%
CALDWELL County		104,135	104,135	104,135	52,059	52,076 100.00%
CHEROKEE County		75,000	75,000	75,000	37,500	37,500 100.00%
CLAY County		10,000	10,000	10,000	5,000	5,000 100.00%
HAYWOOD County		100,000	100,000	100,000	50,000	50,000 100.00%
JACKSON County		123,081	123,081	123,081	61,541	61,541 100.00%
MACON County		106,923	106,923	106,923	53,312	53,312 100.00%
MCDOWELL County		67,856	67,856	67,856	33,928	33,928 100.00%
SWAIN County		25,000	25,000	25,000	12,500	12,500 100.00%
GRAHAM County		8,000	8,000	8,000	4,000	4,000 100.00%
WATAUGA County		221,194	221,194	221,194	110,597	110,597 100.00%
WILKES County		258,200	259,200	891,563	818,214	73,349 183.55%
Total County Funds		1,533,366	1,533,366	2,597,028	1,583,297	713,431 145.06%
Service Management Funds		7,242,715	7,242,715	7,122,715	3,581,357	3,581,358 100.00%
Service Delivery Funds		30,278,877	29,521,781	27,028,822	13,163,645	13,865,177 87.40%
All Other State/Federal Funds		1,793	1,793	1,793	-	1,793 0.00%
Total State and Federal Funds		37,524,385	36,766,289	34,153,330	16,725,002	17,428,329 97.84%
TOTAL REVENUE		49,376,687	47,632,988	50,053,839	23,313,746	26,740,092 93.15%
EXPENDITURES:						
Service Management		7,242,715	7,166,297	7,122,715	3,854,032	3,268,683 108.22%
Directly Provided Services		1,183,444	1,083,791	1,170,331	471,119	699,212 80.51%
Provider Payments		38,585,933	35,947,693	37,660,522	16,371,283	19,799,309 97.50%
All Other		2,364,594	2,289,419	4,100,161	886,127	3,214,034 43.22%
TOTAL EXPENDITURES		49,376,686	46,427,020	50,053,839	23,582,541	26,471,294 94.23%
CHANGE IN CASH BALANCE			1,205,968		(268,795)	
Beginning Unrestricted Fund Balance			3,858,910		4,220,978	
Current Estimated Unrestricted Fund Balance and percent of budgeted expenditures		0.55%	4,220,978	0.73%	4,268,000	

* "Appropriation of Fund Balance" represents the Area Program Fund Balance that has been incorporated as part of the Approved Budget. Actual Yr-To-Date should reflect Fund Balance utilized to date and an explanation needs to be provided for the specific uses of fund.
 ** Annualized Revenue percentage less than 90% and Expenditure percentages greater than 110% must be explained on the attachment and submitted with the Fiscal Monitoring Report

2. CURRENT CASH POSITION:

		(1)	(2)	(3)	(4)	(5)	Receivables net of Allowance for Uncollectible Receivables
		30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS	TOTAL	
Accounts Payable (Accrual Method)		1,119,292	224,675	47,831	201,628	\$ 1,593,166	
Account Receivable (Accrual Method)		2,612,708	2,155,275	73,518	212,089	\$ 5,053,691	\$ 5,048,516
Current Cash in Bank						14,753,478	

3. SERVICE EXCEPTIONS: (Provided Based on System Capability)

Services authorized but not billed: 478,309

I hereby certify that this report contains accurate and complete information, (b) explanations are provided for any expenditure item with an annualized expenditure rate greater than 110% for any revenue item with an annualized receipt rate of less than 90%, and (c) a copy of this report has been provided to each county manager in the attachment area.

[Signature] 7/23/12 Area Board Chair
7/23/12 Area Finance Officer

CC: County Manager for each county within the attachment area.

Division of Mental Health, Developmental Disabilities & Substance Abuse Services
Quarterly Fiscal Monitoring Report - Explanation of Revenue and Expenditure Variances
SMOKY MOUNTAIN CENTER Local Management Entity
 for the period ending: December 31, 2011

ITEM	Explanation			
Prior Year Audit is complete, prior year presentation is final.				
Revenues:				
Medicaid - CAP/IR/DD - 87.17%	Medicaid - CAP/IR/DD - 87.17%	Budget overestimated for CAP/IR/DD services required to be billed through the LME.		
Graham County Revenue - 0%	Graham County Revenue - 0%	County is behind on current year payment.		
Client Fees/Medicaid/Insurance	Client Fees/Medicaid/Insurance	No budget for these revenues as SMC no longer provides billable services.		
		Small dollars are due to run out/clean up of Accounts Receivable.		
Fund Balance Appropriations:			5,178,620.00	
Medicaid Waiver Readiness (559)	Appropriated	2,770,000.00	Prepare to apply for Medicaid Waiver	
	Used	414,571.00		
Legal Fees (833)	Appropriated	100,000.00	Legal fees and associated costs related	
	Used	51,804.00	to Evergreen Foundation.	
State Services	Appropriated	2,308,620.00	Per Community Efficiency Plan, fund	
	Used	2,308,620.00	balance is being used first.	
Expenditures:				
No reporting required.				
Fund Balance:				
No reporting required.				

Division of Mental Health, Developmental Disabilities & Substance Abuse Services
Quarterly Fiscal Monitoring Report
SMOKY MOUNTAIN CENTER

for the period ending: June 30, 2011
 # of month in the fiscal year: 12 AUDITED: [REDACTED]
 (July = 1, August = 2, ..., June = 12)

ITEM	(1) PRIOR YEAR		(2) CURRENT YEAR		BALANCE (Col. 3-4)	ANNUALIZED PERCENTAGE **
	BUDGET	ACTUAL	BUDGET	ACTUAL YR-TO-DATE		
REVENUE						
Client Fees	42,350	32,686	312	12,381	(12,049)	3991.86%
Medicaid - Regular Fee-for-Service*	11,066,142	10,789,821	8,511,654	8,110,371	401,593	95.28%
Medicaid - CAP/IR/DD	775,030	762,428	600,000	540,253	59,717	90.05%
Medicaid - Insurance	90,444	124,258	15,000	18,226	(3,226)	121.51%
Other Local	101,384	53,082	2,500	15,239	(12,739)	609.69%
Total Local Funds *	4,814,680	4,302,723	639,100	630,569	8,571	95.69%
County Appropriations (by county):						
ALEXANDER County	37,825	37,825	37,825	37,825	-	100.00%
ALLEGANY County	117,839	117,839	115,483	115,483	-	100.00%
ASHE County	189,565	189,565	189,565	189,565	-	100.00%
AVERY County	92,400	92,400	92,400	92,400	-	100.00%
CALDWELL County	104,138	104,138	104,138	104,138	-	100.00%
CHEROKEE County	72,000	72,000	75,000	75,000	-	100.00%
CLAY County	10,000	10,000	10,000	10,000	-	100.00%
HAYWOOD County	150,000	150,000	160,000	160,000	-	100.00%
JACKSON County	123,081	123,081	123,081	123,081	-	100.00%
JACON County	107,700	107,700	106,923	106,923	-	100.00%
MICHOVELL County	67,856	67,856	67,856	67,856	-	100.00%
SWAIN County	25,000	25,000	25,000	25,000	-	100.00%
GRAHAM County	6,000	6,000	6,000	6,000	-	100.00%
WATAUGA County	221,194	221,194	221,194	221,194	-	100.00%
WILKES County	324,000	324,000	259,200	289,200	-	100.00%
Total County Funds	1,648,999	1,648,999	1,532,368	1,532,368	-	100.00%
Service Management Funds	7,317,383	7,317,383	7,242,715	7,242,715	-	100.00%
Service Delivery Funds	25,292,032	25,149,787	30,278,877	29,482,781	797,096	97.37%
All Other State/Federal Funds	1,793	1,793	1,793	1,793	-	100.00%
Total State and Federal Funds	32,611,208	32,469,963	37,524,385	36,727,289	797,096	97.88%
TOTAL REVENUE	54,347,720	50,202,610	49,376,687	47,587,724	1,788,963	95.38%
EXPENDITURES:						
Service Management	8,092,383	7,952,155	7,242,715	7,139,760	102,855	95.58%
Directly Provided Services	6,747,198	6,236,978	1,183,444	1,101,634	83,510	93.11%
Provider Payments	35,851,066	31,249,457	38,355,333	35,793,234	2,792,556	92.76%
All Other	3,047,053	3,383,279	2,304,965	2,289,659	74,638	95.63%
TOTAL EXPENDITURES	54,347,700	50,781,884	49,376,687	46,324,687	3,052,000	93.82%
CHANGE IN CASH BALANCE		(549,274)		1,263,037		
Beginning Unrestricted Fund Balance		3,416,154		3,808,910		
Current Estimated Unrestricted Fund Balance and percent of budgeted expenditures		7.00% 3,808,910		8.55% 4,270,978		

* "Appropriation of Fund Balance" represents the Area Program Fund Balance that has been incorporated as part of the Approved Budget. Actual Yr-To-Date should reflect Fund Balance utilized to date and an explanation needs to be provided for the specific uses of fund.
 ** Annualized Revenue percentage less than 90% and Expenditure percentages greater than 110% must be explained on the attachment and submitted with the Fiscal Monitoring Report.

CURRENT CASH POSITION	(1) (2) (3) (4)				TOTAL	Receivables net of Allowance for Uncollectible Receivables
	30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS		
Accounts Payable (Accrual Method)	2,801,295	-	15,929	256,649	2,885,473	
Accounts Receivable (Accrual Method)	3,317,843	12,301	19	80,493	3,431,112	3,490,726
Current Cash in Bank	17,839,239					

3. SERVICE EXCEPTIONS: (Provided Based on System Capability)
 Services authorized but not billed: [REDACTED]

We certify (a) this report to contain accurate and complete information, (b) explanations are provided for any expenditure item with an annualized expenditure rate greater than 110% and/or any revenue item with an annualized receipt rate of less than 90%, and (c) a copy of this report has been provided to each county manager in the catchment area.
 Area Director: [Signature] date: 2/23/12 Area Finance Officer: [Signature] date: 2/22/12 Area Board Chair: [Signature] date: 2/28/12
 CC: County Manager for each county within the catchment area.

ITEM	Explanation		
FINAL AUDITED STATEMENTS			
Revenues:			
Fund Balance Appropriations:		550,000.00	
Psychiatric Coverage (56)	Appropriated	25,000.00	Services transitioned to new provider
	Used	21,734.00	6/30/2010. To support startup
Medicaid Waiver Readiness (659)	Appropriated	375,000.00	Prepare to apply for Medicaid Waiver
	Used	360,961.00	
Legal Fees (633)	Appropriated	150,000.00	Legal fees and associated costs related
	Used	98,032.00	to Evergreen Foundation.
Expenditures:			
Fund Balance:			

NEW BUSINESS

Public School Capital Project – Pisgah High School addition

Chairman Swanger recognized Tracy Hargrove, Maintenance Director and other School System Representatives. Dr. Anne Garrett provided historical information related to the Boundary Student Committee and the ten-year projections of enrollment related to Pisgah and Tuscola. Dr. Garrett noted that the Building and Grounds Committee and the Board of Education recommend additional classrooms and instructional space at Pisgah High School.

Mr. Hargrove provided a visual representation of the current layout and proposed additions to the school including the classrooms and instructional space, as well as proposed traffic/road changes. He explained that the pulp and paper lab currently utilized by students at Pisgah is housed at Haywood Community College (HCC) and HCC has requested that space back. Mr. Hargrove explained that students involved in the pulp and paper program generally do not have to take a portion of the employment exam if they have completed this program.

Mr. Mark Sheppard, Assistant Principal, highlighted some of the needs that this project would meet including providing classroom and office space for those teachers who may be sharing space; addressing growing student population; drop-off and parking changes; choral department improvements and increased security with one point of entry.

Mr. Hargrove provided estimated cost of the project as \$2.5 million to be funded with lottery proceeds. However, as of March 30, 2012, the amount of lottery funds were decreased based on information received from the State. Mr. Hargrove requested to use these funds to begin the search for an architecture firm to begin the planning process. Mr. Hargrove noted that as financing options are considered, proposals would be brought back before the board.

Chairman Swanger clarified that the lottery fund allocations were decreased due to being used for salaries rather than for capital projects. Mr. Hargrove confirmed that the State held back a certain amount for salaries prior to funding the capital projects. Chairman Swanger asked about the current balance of lottery funds. Mr. Hargrove noted the balance is approximately \$1.5 million. He added that he felt the project could be done for the current amount; however, the goal is to ensure that funds are available in the event of an emergency.

Commissioner Upton noted that when initial planning was being done, additional buildings may have to be built to accommodate students; Commissioner Upton noted that there were some concerns related to traffic flow, but felt this was a necessary addition.

Chairman Swanger noted that Tuscola had a building added to their campus that was approximately the same size as the proposed renovations at Pisgah. Mr. Hargrove confirmed.

Commissioner Ensley asked if \$800,000 was the current annual lottery funding, and what would the amount be with the cuts? Mr. Hargrove answered that the projected amount is \$557,000 annually as of March 30. This would be the projected annual amount and may affect the percentage down payment and the repayment schedule. Commissioner Ensley asked if the monies set aside for salaries would be passed directly to Haywood County. Mr. Hargrove noted that he would only see the allocated amounts for capital projects. Chairman Swanger added that the appropriations would most likely be made directly by the State.

Commissioner Sorrells noted that initially all lottery funding was for capital projects and progressively, the ADM dollars have been delegated to various other items. Commissioner Sorrells applauded the efforts of Haywood County Schools and Mr. Hargrove related to management of the funds.

Mr. Hargrove answered questions related to the proposed changes in parking and explained that the buses could be parked behind the buildings, providing additional student and staff parking.

Vice-Chairman Kirkpatrick asked the capacity total at Tuscola. Mr. Hargrove answered that there is capacity of approximately 200 additional students at Tuscola from the current enrollment. Vice-Chairman Kirkpatrick noted that while he was not opposed to the proposal and acknowledged that the additional classrooms were needed based on programs and the noted traffic pattern difficulties; he asked how do you justify having the additional space available at Tuscola and then building on at Pisgah? Dr. Garrett noted that planning was based on the projected enrollment and based on the current boundaries for schools, and that the study conducted in 1999 is just now proving the projections.

Commissioner Upton provided historical information related to the enrollment boundaries and explained that an alternative to this current plan would be to revisit the boundary lines every two years, which would be a nightmare. Chairman Swanger agreed that this would be a lengthy and difficult process. Chairman Swanger noted that the initial boundary

discussions included considerations for avoidance of disrupting and/or splitting families with multiple students in different schools and transportation costs.

Commissioner Sorrells asked about the space at HCC designated for the students in the pulp and paper program. Mr. Hargrove noted that while the space currently utilized at HCC is not set up to exact specifications; however, the pulp and paper lab at Pisgah would be set up according to the specifications received from Evergreen Paper.

Mr. Hargrove concluded by noting there are several teachers at Pisgah who do not have permanent classrooms. He explained that while this is of concern now, it will only become a larger problem without additional classroom space, and is a needed improvement even if shifting of students could occur.

Chairman Swanger clarified that the request set before the board was related to hiring of an architect using lottery funds and that future presentations will be made to the board after confirmation of the lottery proceeds; the school system will work with Ms. Davis regarding financing considerations.

Commissioner Upton motioned to approve the Haywood County School system to expend lottery funds for the purpose of hiring an architect for plan and design of the building at Pisgah High School. Commissioner Ensley seconded, the motion carried unanimously.

Request approval of Change Orders for Creative Arts Building Construction Project

Chairman Swanger recognized Bill Dechant, Director of Campus Development, Haywood Community College. Mr. Dechant presented two change orders and four proposed change orders all of which were approved by the HCC Board and/or the State Construction Office.

Change Order #3 - \$2,060 – the initial survey did not match actual conditions and re-survey occurred.

Change order #5 - \$23,138 – relates to multiple issues including:

- enlargement of a door to accommodate the absorption chiller - \$7,974
- extension of the paint booth exhaust duct to above roof level - \$4,680
- addition of a retaining wall due to grading and storm drainage structure had to be raised to avoid a fiber optic line discovered during excavation - \$4,098
- change in the electrical outlets in a room based on equipment change by owner - \$1,971, and
- additional concrete walkway and reinforcement of courtyard - \$4,415.

Commissioner Ensley and Vice-Chairman Kirkpatrick both questioned why the surveyor who completed the initial survey was not responsible for the cost of the change rather than submission of a change order. Mr. Dechant explained that due to the need to move the project forward another surveyor was utilized. The surveyor who made the mistake was not called back to correct it.

Proposed change order #13 is a credit – (\$1,721) – the back flow preventer was eliminated since the fire pump already existed.

Proposed change order #22 - \$2,712 – the sprinkler risers were shown in two areas where there was going to be considerable traffic; local authorities with jurisdiction wanted sprinkler risers encased in some type of cage/protection.

Proposed change order #26 - \$1,124 – installation of four-inch concrete curb at the base of a wall that separates a mechanical room from a classroom.

Proposed change order #29 - \$7,622 and additional five (5) days added to the construction contract. This is for reinforcement of a patio for outdoor kilns. The total weight of the kilns was estimated at 8,000 lbs each; the actual weight was 12,000 lbs each. This increased the load on the patio.

Chairman Swanger noted that the State Construction Office approved change orders 3 and 5; subsequently action related to the proposed change orders should be considered contingent upon state approval.

Vice-Chairman Kirkpatrick noted that the reason for delay in providing a motion to approve these change orders was due to the nature of the change orders and the reasons they are needed because of mistakes. The concern is that no explanation has been given as to why no attempt has been made to have someone else pay for these mistakes rather than continually charging the project. Commissioner Sorrells asked if these items were coming out of contingency. Ms. Davis confirmed this was the case.

Commissioner Sorrells motioned to approve change orders #3 and #5, which have been approved by the State Construction Office. Vice-Chairman Kirkpatrick seconded. Commissioner Upton asked an additional question prior to the vote.

Commissioner Upton questioned the coordination of the project tasks. Mr. Dechant explained that at the end of the project, there would be a meeting with the designers and others to discuss the entire project and any change orders. If there are disputes related to the change orders, negotiations occur. The State Construction Overseer will be involved in the meeting, as will Mr. Dechant. Mr. Dechant will report all findings to the board.

Chairman Swanger asked if the project was past the point of the owner requesting changes. Mr. Dechant explained that while he could not answer with certainty, but at this stage in the project, most owner requests have been completed. Some of the changes were made due to the necessity of having all equipment UL listed.

Commissioner Ensley noted that since funds are coming from contingency and there is an acknowledgement from Mr. Dechant that effort will be put forth to try and recoup funds during the end of project meeting, he is more comfortable with proceeding.

Chairman Swanger noted that a motion and second had been heard from the floor, a vote was necessary. All members voted unanimously to approve change orders #3 and #5.

Commissioner Upton motioned to approve the proposed change orders #13, #22, #26 and #29, contingent upon approval by the State Construction Office. Commissioner Ensley seconded, the motion carried unanimously.

Budget Amendment - \$25,198 – for change orders #3 and #5

Ms. Davis noted that these amounts were from the contingency for this project. Chairman Swanger asked how much is left in contingency for this project. Ms. Davis explained that with these change orders, and a \$226,000 change order awaiting state approval, that there was \$340,000 remaining.

Vice-Chairman Kirkpatrick motioned to approve the budget amendment for change orders #3 and #5 as presented. Commissioner Sorrells seconded, the motion carried unanimously.

HAYWOOD COUNTY
CAPITAL PROJECT BUDGET AMENDMENT
FISCAL YEAR 2011-2012

PER: _____
JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the capital project ordinance for the fiscal year ending June 30, 2012.

Section 1. To amend the Capital Project Fund - Community College construction projects, the expenditures are to be charge as follows:

Line Item	Account Number	Current Budget	Increase (Decrease)	Amended Budget
COMMUNITY COLLEGE PRJS:				
Creative Arts Bldg.				
C/O - buildings construction	405924-558000-1HCC1	8,397,057	2,060	8,399,117
	405924-558000-1HCC1	8,399,117	23,138	8,422,255
Contingency	405924-599100-1HCC1	365,198	(25,198)	340,000

which will result in a net increase of \$ _____ in the expenditures of the Capital Project Fund.

To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget

Section 2. Copies of this amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 2nd of April, 2012.



 Chairman
 Haywood County Board of Commissioners

ATTEST: 

 Clerk to the Board

Explanation:
To allocate the amounts of the two change orders per HCC request and NC Department of Administration approval.

Presentation – MedWest-Haywood Update

Chairman Swanger recognized Michael Poore, CEO, MedWest-Haywood (MW-H). Mr. Poore provided an update and information related to the events that lead up to a letter of credit with Carolinas HealthCare System (CHS). Mr. Poore began by providing historical data related to days cash on hand (DCOH) prior to decertification in 2008 and continuing through 2011. He highlighted some of the major cash expenditures from 2010 - 2011 including implementation of the federally mandated electronic health records (EHR) and necessary support, settlement of a long-term lawsuit with Haywood Emergency Physicians, and replacement of a generator. Chairman Swanger asked about the current DCOH. Mr. Poore noted that the current DCOH is 8 days. Mr. Poore added that MW-H has pulled \$7 million of the \$10 million from the line of credit. He explained that there is over \$6 million in net Accounts Receivable (A/R) due from CMS over the next 90 days.

Mr. Poore explained that most insurance companies and CMS typically pay within 90 days of receipt of claim; however, there are circumstances, such as when a denial related to medical necessity is issued and additional information must be provided with the claim and the time for payment may be increased. Chairman Swanger asked about the current discharged but not final billed amount. Mr. Poore answered that at one point, this amount was \$11 million; however, the current amount is between \$5 and \$6 million. The coders were routinely bill \$700,000 daily, currently they are billing between \$1.2 and \$2 million daily. Mr. Poore noted that the delay in billing was due in part to the connectivity of the new EHR system with other areas and software products. Mr. Poore explained that outside resources have been brought in to assist with the billing of accounts with the goal being to prioritize, bill, and collect the largest accounts first.

Mr. Poore highlighted the market share statistics for MW-H. The market share has rebounded to the pre-2007 and decertification levels. He added that 85% of care could be provided in Haywood County; currently, 60% of care is remaining within the county based on state statistics.

Mr. Poore began an overview of the three-phased plan of action to improve the financial situation at MW-H. The first being the letter of credit that provided the cash required to supplement MW-H during this time of financial difficulty.

Mr. Poore added, up to 100% of funds used to implement the EHR system could begin to be refunded by the federal government as early as October 2012 and continue over the next four years if MW-H meets the meaningful use criteria. Mr. Poore explained that if the systems were not put in place, penalties of up to 2% on Medicare and Medicaid services could be imposed.

Mr. Poore recounted the first phase being the letter of credit. The second phase is lowering the operating costs by reducing the number of FTEs and other cost reductions. These first two phases are complete. Volume has been growing since 2007 related to inpatient and surgical encounters and the first five months of the FY 2012 have shown further growth. Mr. Poore continued to explain that the austerity measures and measures on growth have moved the operating cash flow margins forward significantly. Chairman Swanger asked about the term consolidated and how MW-H numbers looked. Mr. Poore explained that

MW-H consolidates its own physician practices and home health and hospice as they have separate tax id numbers.

Mr. Poore provided national statistics for hospitals of like size indicating that 1-2% operating margin is the benchmark. MW-H has YTD operating margin of 1.2%. Mr. Poore outlined the strategic planning for MW-H to increase market share and focus on secondary and tertiary care.

Mr. Poore stated that the third phase in the financial improvement is growth. He highlighted the opening of several new facilities in 2011 and 2012 including the cardiac cath lab, the Urgent Care in Canton, the Homestead – a six-bed inpatient hospice, and the Outpatient Care Center. All facilities are state of the art with modern conveniences and efficiencies. The Outpatient Care Center – a \$14 million dollar facility - was executed by a developer, and funded by physicians as the investors.

Mr. Poore concluded his presentation with a listing of the new physicians who will begin practicing in the area within the next few months. Mr. Poore thanked the board for the opportunity to provide the update.

Chairman Swanger asked about the Accounts Payable (A/P) and what is the current amount owed to vendors. Mr. Poore answered that A/P is at \$11 million; 50% is above 30 days. He explained that payment plans have been set up with vendors, and that a cash flow plan is being developed for presentation to this board. The goal is to show a decrease in the A/P and repayment of the letter of credit. Mr. Poore explained that under this plan, the financial picture should be improved by September with only \$2 million of the letter of credit outstanding; this is a drop from the current \$7 million.

The meeting was recessed beginning at 10:35 a.m.

The meeting was reconvened at 10:45 a.m.

Mr. Poore commented that putting the three phases in place – cash, austerity measures and growth will allow the hospital to not only survive, but to thrive. Mr. Poore noted that when MW-H board paid off the bonds in 2008, the hospital was debt-free; there was no overhead debt. Even with the current \$7 million debt, for an organization with \$110 million in annual operating expenses to have minimal debt is commendable.

Commissioner Ensley added that MW-H being debt free could be compared to a homeowner who has an equity line of credit; the letter of credit for \$10 million is the equity. Commissioner Sorrells commented that without the EHR mandates, the replacement of a generator and other items, this letter of credit would have been unnecessary; it was the combination of all factors that necessitated these actions. Mr. Poore agreed and added that CHS allowing for the letter of credit and operational support for a facility in this manner was unprecedented and showed the commitment of CHS to this region.

Chairman Swanger commented that since the letter of credit issue surfaced, the situation and relationship between MW-H and the County has not been adversarial. The County

Commissioners and legal counsel from the County, MW-H and CHS have worked together on the reverter issue. Mr. Poore echoed the sentiment and expressed appreciation to the Commissioners for allowing MW-H and CHS to take the time to complete necessary due diligence.

Vice-Chairman Kirkpatrick commented that there have been misconceptions related to the health care profession and the altruistic nature that is sometimes conveyed; health care is a competitive business. Vice-Chairman Kirkpatrick encouraged citizens to utilize the services available within the County in order to ensure the continued success of the hospital, physician practices and ancillary facilities.

Vice-Chairman Kirkpatrick asked Mr. Poore if he thought that the \$10 million would be enough to satisfy all of the debt that has been incurred, with \$7 million already utilized, will the remaining \$3 million suffice?

Mr. Poore answered that there are no plans to pull the full \$10 million. The cash flow plan in place projects repayment beginning within the next few months. There are disproportionate share dollars that are allocated from the federal government to MW-H based on the large number of Medicaid and indigent patients served. Mr. Poore alluded to the fact that this revenue will help in repayment efforts.

Mr. Poore expressed his pride in his team and noted that all of the MedWest facilities are in 100% compliance with 100% of the quality core measures with Medicare. These measures are required of all US hospitals and are publicly reported.

Vice-Chairman Kirkpatrick asked Mr. Poore to explain about the FTE numbers and the rationale behind the staffing patterns and reductions. Mr. Poore noted that there is a formula in place for hospitals called FTEs per adjusted occupied bed; this is related to all services provided including outpatient services. Currently MW-H's number is 5.1. The benchmark within CHS hospitals is between 4.0 and 4.4. Mr. Poore and staff have been working to make targeted cuts that do not affect the level of patient care. He explained that when possible staff is relocated within the hospital, but that elimination of positions was also necessary.

Commissioner Upton relayed a story of the quality care afforded to a patient receiving end of life care at MW-H. The family was most appreciative of the staff that took care of the patient and noted the professionalism and compassion shown. Commissioner Upton thanked Mr. Poore for this positive experience. Mr. Poore accepted the thanks on behalf of his staff and credited them as the reason for the hospital's success.

Commissioner Ensley thanked Mr. Poore for his willingness to be competitive in the region; it helps make the services and care better. He thanked Mr. Poore for his presentation today and for his openness. Commissioner Ensley noted that when citizens view this meeting it would provide them with information related to MW-H. Mr. Poore ended by stating that there is a plan in place, the full resources of CHS are available and the plan will be executed to ensure that MW-H will improve its financial picture.

Request for Approval of Conditional Waiver and Subordination of Reverter

County Attorney Killian provided a historical overview of the relationship between the hospital and the County beginning in 1997 with the development of the Hospital Authority and transfer of the assets to the Authority. In the resolution on April 21, 1997 there was a provision that stated 'after the assets were transferred to the newly formed Authority, that no rights of ownership of any hospital facility shall be sold, conveyed, released, leased, subleased or joint venture without the authority of the Haywood County Board of Commissioners.' Mr. Killian explained that the deed conveying the real estate had similar but more substantive language that stated 'if the Grantee (the newly formed Hospital Authority) should convey or attempt to convey any part of the property herein conveyed, the title of said premises shall revert to and vest to the Grantor (the County). Upon assumption by the Grantor of all bonded debts, other debts, obligations and liabilities in anywise connected.' He noted that by the delivery and recording of a deed of trust that CHS required as security for the \$10 million letter of credit, the reversion could have occurred. For that reason, MW-H asked the Board of County Commissioners for permission and for a subordination and waiver of this right of reverter. Mr. Killian noted the conditions of reverter should a default occur includes notice to the County, the County has six months to decide whether or not to purchase the note; if the County chooses to purchase the note, an additional 12 month period to develop a financing package. Mr. Killian explained that the document presented today allows the County to have input and some control over the process should there be a default with potential foreclosure, with the goal being to maintain a hospital within the county.

Mr. Killian noted that he worked with the attorneys from CHS and MW-H and others to create the document. All parties are satisfied with the document and Mr. Killian requested approval from the Board.

Commissioner Sorrells commented that from the beginning the goal was to set forth a plan to provide to the hospital with the means to continue to operate while protecting the County interests and maintain a viable hospital.

Chairman Swanger noted that the document had been reviewed in closed session and input from Commissioners gained; Mr. Killian noted it was at the direction of the Commissioners that he began this process. Commissioner Ensley noted that CHS agreed to cover the attorney fees for creation of this document. Chairman Swanger confirmed.

Mr. Killian explained that there has been discussion regarding MW-H providing regular financial updates to the board. Chairman Swanger noted that a memorandum of understanding might be ready by the next board meeting.

Vice-Chairman Kirkpatrick motioned to approve the Conditional Waiver and Subordination of Reverter as described and contained in the Commissioners' briefing books. Commissioner Upton seconded, the motion carried unanimously.

This Document Prepared By and
After Recording Return to:
Leon M. Killian III
Nelson Mullins Riley & Scarborough LLP
Post Office Box 30519
Raleigh, NC 27622-0519

CONDITIONAL WAIVER AND SUBORDINATION OF REVERTER

THIS CONDITIONAL WAIVER AND SUBORDINATION OF REVERTER, made and entered into this 2nd day of April, 2012 by and among Haywood County, a body politic and corporate and subdivision of the State of North Carolina, whose address is 215 N. Main Street, Waynesville, North Carolina 28786 (the "County" or "Subordinating Party"); Haywood Regional Medical Center, a North Carolina hospital authority, whose address is 262 Leroy George Drive, Clyde, NC 28721 ("HRMC"), and The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System, a North Carolina hospital authority, whose address is 1000 Blythe Boulevard, Charlotte, North Carolina 28203 ("CHS" or "Beneficiary") (collectively, the "Parties").

WITNESSETH:

WHEREAS, by Resolution enacted on April 21, 1997, pursuant to NCGS 131E-17 et seq., as appears of record in the Minutes of the Haywood County Board of Commissioners in Volume 16, beginning at Page 70, the County created the HRMC (the "Resolution"); and

WHEREAS, pursuant to NCGS 131E-19, an Application for Incorporation as a Hospital Authority was duly filed with the Secretary of State of North Carolina on May 28, 1997 (the "Application") and a Certificate of Incorporation of HRMC was issued on May 28, 1997; and

WHEREAS, by Non-Warranty Deed dated August 11, 1997 of record in Book 461, Page 1209 Haywood County Registry (the "Deed"), the County conveyed certain real property to HRMC (the "Property"), which conveyance included the following provision:

1

--#4827-8595-7647 v.4--

"If the Grantee should convey or attempt to convey any part of the property herein conveyed, the title to said premises shall revert to and vest in the Grantor upon assumption by Grantor of all bonded debt, other debts, obligations, and liability in anywise connected with said property" (the "Reverter"); and

WHEREAS, Section 7 of the aforesaid Resolution, included as part of the Application, provided as follows:

"After transfer of hospital facilities and other real property to the Authority, notwithstanding any applicable provision under Chapter 131E, Article 2, no rights of ownership in any hospital facility shall be sold, conveyed, leased, subleased or joint ventured without the authority of the Haywood County Board of Commissioners and in nowise shall G.S.131E-23(e) (6) be construed to permit any sale or transfer or conveyance of real property"; and

WHEREAS, HRMC has entered into a Line of Credit Agreement dated as of January 17, 2012 (as amended, modified, restated or extended, the "LOC Agreement") with CHS, pursuant to which CHS has made a \$10,000,000 revolving line of credit (the "LOC") available to HRMC for a term of one year, which is evidenced by a Revolving Credit Note dated as of January 17, 2012 in the amount of \$10,000,000 (as amended, modified, restated or extended, the "Note"); and

WHEREAS, Section 2.3 of the LOC Agreement provides that HRMC shall repay the Note in full upon demand by CHS if, among other things, the Deed of Trust (the “Deed of Trust,” and collectively with the LOC Agreement, the Note and any documents related thereto, the “LOC Documents”) which is attached thereto as Exhibit D, is not executed and delivered by HRMC to CHS within sixty (60) days of the date of the LOC Agreement, or following the occurrence of an event of default; and

WHEREAS, the County, at the request of HRMC, has agreed to grant this conditional waiver and conditional subordination of its rights under the Reverter, pursuant to the terms and conditions in this Agreement;

NOW THEREFORE, in consideration of the nominal consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Recitals. The above Recitals are incorporated herein by reference.
2. Conditional Waiver and Subordination. Provided there is no default or event of default by CHS hereunder or under the LOC Documents, the County hereby agrees that HRMC and CHS shall have a conditional (i) waiver and (ii) subordination of the Reverter. The Reverter shall be waived by the County and made subordinate to the Deed of Trust and the exercise by CHS of its rights under the Deed of Trust upon full and complete satisfaction of the following terms and conditions:
 - (a) The Deed of Trust in the form attached as Exhibit D to the LOC Agreement is amended to delete the terms “without further notice” in the fourth paragraph of the second page thereof, and the following is substituted: “subject to the terms and conditions of a Conditional Waiver and Subordination of Reverter recorded of even date herewith” and may be amended to reflect any extension of the term of the LOC; and
 - (b) Upon the occurrence of an event of default (and the expiration of all applicable grace and/or cure periods) by HRMC under the LOC Agreement and a declaration of acceleration by CHS, or if the Note is not paid in full on its final due date, CHS shall provide written notice of the event of default and acceleration or the failure to pay the Note upon maturity to HRMC with a copy to the County and to any other person as required under the LOC Agreement, and CHS shall confirm receipt of such notice; and
 - (c) Prior to initiation of foreclosure under the Deed of Trust, CHS shall provide written notice to the County that the County shall have a fully assignable option (the “Option”) for a period of six (6) months from and after receipt of such notice, to purchase all ownership rights in the LOC Documents from CHS upon payment of the principal balance and all interest accrued until payment is made (collectively the “Obligations”) by the County to CHS on the Settlement Date. During such six (6) month period, there shall be a forbearance of all legal action permitted to CHS under the LOC Documents. The County may elect to exercise the Option by tendering to CHS its written notice of exercise and its agreement to pay the Obligations on or prior to the end of an additional one (1) year period following the date of exercise of the Option, or upon the settlement of sale of the Property thru foreclosure or otherwise, whichever should occur first (the “Settlement Date”); and

- (d) Should the County exercise its Option to purchase the LOC Documents as provided above, the County shall have the right to direct CHS to exercise the remedies of the Beneficiary under the Deed of Trust, including, but not limited to, foreclosure of the Deed of Trust, and CHS agrees to follow such direction from the County; and
 - (e) During the six (6) month Option period, the one year period prior to the Settlement Date, and any additional forbearance period mutually agreed upon by CHS and the County, the County shall make reasonable efforts to assist HRMC in curing the default, including seeking the appropriation of additional funds, re-negotiating the payment of the Obligations with CHS, or refinancing the LOC; and
 - (f) Any future sale, lease or conveyance of the Property by any of the Parties hereto shall be subject to the requirements of NCGS 131E-13; and
 - (g) The Reverter shall remain unmodified and in full force and effect except as expressly provided herein for the benefit of CHS, or any purchaser of the LOC Documents from CHS; and
 - (h) In the event of the sale or conveyance of the Property through foreclosure or otherwise, the Parties shall cooperate with the County in the orderly dissolution of HRMC with proceeds after satisfaction of the Obligations and other indebtedness to be distributed to the County.
3. Representation and Warranty. County represents and warrants to CHS that it has not previously subordinated all or any portion of the Reverter for the benefit of any other party.
4. Miscellaneous.
- (a) Notices. Any and all notices, elections, demands, requests and responses thereto permitted or required to be given under this Agreement shall be addressed to the Parties at the addresses provided on the signature page of this Agreement.
 - (b) Time of the Essence. Time is of the essence in the interpretation and enforcement of this Agreement.
 - (c) Entire Agreement, Etc. This Agreement expresses the entire understanding of the Parties with respect to the transactions contemplated hereby and supersedes all prior and contemporaneous agreements of any nature with respect to the transactions contemplated hereby. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated orally or in writing, except as provided below.

- (d) Consents, Amendments, Waivers, Etc. Except as otherwise expressly set forth in any particular provision of this Agreement, any consent or approval required or permitted by this Agreement to be given by the Beneficiary may be given, and any term of this Agreement or of any other instrument related hereto or mentioned herein, may be amended, and the performance or observance by any party of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written specific consent of the Beneficiary. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of Beneficiary in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Subordinating Party or any other party shall entitle such party to other or further notice or demand in similar or other circumstances.
- (e) Counterparts. This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.
- (f) Headings. The headings of the various paragraphs of this Agreement are inserted for convenience only and shall be wholly disregarded when interpreting the meaning or effect of any of the terms hereof.
- (g) Choice of Law. This Agreement shall be construed and enforced in accordance with and subject to the substantive laws of the State of North Carolina.
- (h) Successors and Assigns. All covenants and agreements in this Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties.

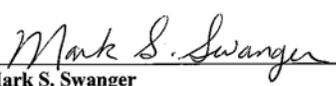
[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their seals the day and year first above written.

ATTEST:


Marty Stamey
County Manager/Clerk to Board

HAYWOOD COUNTY

By: 
Mark S. Swanger
Haywood County Board of Commissioners

215 N. Main Street
Waynesville, NC 28786
Attention: County Manager/Clerk to Board
Telephone: (828) 452-6625
Fax: (828) 452-6715

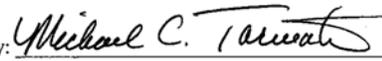
HAYWOOD REGIONAL MEDICAL CENTER

By: _____
Jean Burton
Chair of the Board of Commissioners

By: _____
John M. Poore
President and Chief Executive Officer

262 Leroy George Drive
Clyde, North Carolina 28721
Attention: President and Chief Executive Officer
Telephone: (828) 452-8209
Fax: (828) 452-8341

THE CHARLOTTE-MECKLENBURG
HOSPITAL AUTHORITY
d/b/a CAROLINAS HEALTHCARE SYSTEM

By: 
Michael C. Tarwater
Chief Executive Officer

1000 Blythe Boulevard
Charlotte, North Carolina 28203
Attention: Chief Executive Officer
Telephone: (704) 355-2154
Fax: (704) 335-1251

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their seals the day and year first above written.

ATTEST:

HAYWOOD COUNTY

Marty Stamey
County Manager/Clerk to Board

By:

Mark S. Swanger
Haywood County Board of Commissioners

215 N. Main Street
Waynesville, NC 28786
Attention: County Manager/Clerk to Board
Telephone: (828) 452-6625
Fax: (828) 452-6715

HAYWOOD REGIONAL MEDICAL CENTER

By: _____

Jean Burton
Chair of the Board of Commissioners

By: _____

John M. Poore
President and Chief Executive Officer

262 Leroy George Drive
Clyde, North Carolina 28721
Attention: President and Chief Executive Officer
Telephone: (828) 452-8209
Fax: (828) 452-8341

**THE CHARLOTTE-MECKLENBURG
HOSPITAL AUTHORITY
d/b/a CAROLINAS HEALTHCARE SYSTEM**

By: _____
Michael C. Tarwater
Chief Executive Officer

1000 Blythe Boulevard
Charlotte, North Carolina 28203
Attention: Chief Executive Officer
Telephone: (704) 355-2154
Fax: (704) 335-1251

Property Tax Commission Appeals

Chairman Swanger recognized David Francis, Tax Administrator. Mr. Francis noted that the NC Department of Revenue (NCDOR) visited the property (8614-82-1676) and discovery made which affected the value of the property. The lot at Crestview Pointe is an inferior lot compared to other lots in the subdivision. The recommended change to the valued amount is a 20% size and shape reduction from \$77,000 to \$61,600.

The Assessor revisited the second property (8666-07-3818). The following changes and discoveries were made including: re-measurement and addition of an enclosed porch, change of CDU from excellent to good, single pane storm windows with little maintenance and upkeep being done; no basement with small crawl space which limited installation of an air conditioning unit; the heat source is ceiling electric heat. The recommended change to the valued amount is from \$202,400 to \$192,400.

Vice-Chairman Kirkpatrick motioned to approve the change in property value for parcels 8614-82-1676 and 8666-07-3818 as recommended by the NCDOR and Assessor as presented by the Tax Collector; Commissioner Sorrells seconded, the motion carried unanimously.

Resolution from Economic Development Commission to support a feasibility study for 8" gravity line along US Highway 23/74

Chairman Swanger recognized Commissioner Sorrells and Commissioner Ensley. Commissioner Sorrells provided explanatory information describing the NCDOT project that influenced the EDC resolution. Commissioner Ensley explained that while the NCDOT project was for a smaller line, if an 8" gravity line was added, there would be additional opportunities to support businesses along US Highway 23/74. He added that the Town of Waynesville (TOW) leadership had expressed some reservations to this project; however, if use policies were developed for this sewer line, it would provide proper controls and the opportunity to develop that area. Commissioner Ensley noted that he has spoken with an engineer about completing a feasibility study, which would cost \$8,000 - \$10,000. Commissioner Ensley commented that the NCDOT was contributing \$650,000 for the current project; estimates for the proposed gravity line would be approximately \$1.5 million and a possible partnership between the County and TOW may allow for the additional funding.

Commissioner Sorrells noted that all of the preparation was already being done by the NCDOT with the only change to the existing project being the size of the pipe. He stated that Commissioner Ensley presented the idea of a feasibility study to the EDC board and it was approved unanimously.

Chairman Swanger explained that proceeding with development of a similar resolution in support of the feasibility study, to be forwarded to the Town of Waynesville and NCDOT, would be the best course of action.

Commissioner Sorrells motioned to approve that staff develop a resolution in support of a feasibility study for an 8" gravity line along US Highway 23/74. Commissioner Ensley seconded, the motion carried unanimously.

**RESOLUTION TO SUPPORT A FEASIBILITY STUDY
FOR 8" GRAVITY LINE ALONG US HIGHWAY 23/74
IN ORDER TO SUSTAIN AND INCREASE JOBS
AND REVENUES FOR THE COUNTY**

March 15, 2012

WHEREAS, DOT is currently doing a study to put in a sewer line along US Highway 23/74 from Vantage Point to the Rest Area; and

WHEREAS, Property Owners along this area are requesting inclusion in this project; and

WHEREAS, There are several options to putting in this line to service businesses and residential (by the road, by the creek, available to residences); and

WHEREAS, Future commercial development of this area may be dependent upon choices made now; and

WHEREAS, Haywood County Economic Development Commission is concerned about job growth in this area,

NOW, THEREFORE BE IT RESOLVED, that the Haywood County Economic Development Commission strongly supports doing a feasibility study to determine costs, pros and cons to several options for installing an 8" gravity sewer line along US Highway 23/74 between Vantage Point and the Rest Area.

Adopted by the Haywood County Economic Development Commission on the 15th day of March 2012.



Michael T. Sorrells, Chairman



Mark B. Clasby, Secretary

Reappointment of members to Nursing Home Community Advisory Committee, Adult Care Home Community Advisory Committee and Region A Aging Advisory Council

Chairman Swanger recognized County Manager Stamey. Mr. Stamey received a request from the Southwestern Commission, Mary Barker for the reappointment of members to various committees/council. Mr. Stamey presented the nominees and explained that all were currently serving in their various capacities; all were eligible and willing to be reappointed. All terms are for three years.

Nursing Home Community Advisory Committee – Larry Reeves and Lorna Sterling

Adult Care Home Community Advisory Committee - Juanita Dixon and Kim Gardner

Region A Aging Advisory Council - Ernestine Upchurch, Gayle Doughton and Pat Hyatt

Commissioner Upton motioned to approve the named appointees to the Nursing Home Community Advisory Committee, Adult Care Home Community Advisory Committee and the Region A Aging Advisory Council. Commissioner Ensley seconded, the motion carried unanimously.

SOUTHWESTERN COMMISSION
125 BONNIE LANE SYLVA, NORTH CAROLINA 28779
TELEPHONE: (828) 586-1962 FAX: (828) 586-1968
EMAIL: smncpsdo@regiona.org WEBSITE: www.regiona.org

MAR 21 2012



Cherokee County
Andrews
Murphy

Clay County
Hayesville

Graham County
Robbinsville
Lake Santeetlah

Haywood County
Canton
Clyde
Maggie Valley
Waynesville

Jackson County
Dillsboro
Forest Hills
Sylva
Webster

Macon County
Franklin
Highlands

Swain County
Bryson City

March 13, 2012

Marty Stamey, County Manager
Haywood County
215 North Main Street
Waynesville, NC 28786

Dear Marty:

I was approached by Amie Owens from your office related to the various boards/committees for which I am named the contact person. We traded emails regarding the process, and I would like to submit the following reappointments to the Board of County Commissioners for approval at the first regular meeting in April 2012.

The **Nursing Home Community Advisory Committee** - recommended that the two members whose terms expired in February 2012 be reappointed to their respective positions. The members are:

- o Larry Reeves
- o Lorna Sterling

Both of these members have completed an initial one year term and the next appointment would be for a three (3) year term.

The **Adult Care Home Community Advisory Committee** - also recommended that two members whose terms expired in December 2011 be reappointed to their respective positions. The members are:

- o Juanita Dixon
- o Kim Gardner

Both of these members have completed an initial one year term and the next appointment would be for a three (3) year term.

The **Region A Aging Advisory Council** - recommended that the three members whose terms expired in June 2011 be reappointed to their respective positions. The members are:

- o Ernestine Upchurch
- o Gayle Doughton
- o Pat Hyatt

These members would be reappointed for another three year term.

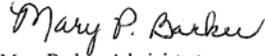
Appalachian Development District Area Agency on Aging Economic Development District
Rural Planning Organization Regional Revolving Loan Fund
Workforce Investment Act

There are also two vacancies for Alternates from Haywood County on the Region A Aging Advisory Council. We would like to advertise for these positions to gauge interest in serving. If we receive applicants, it is my understanding that Ms. Owens will arrange for any necessary interviews with the Board members related to appointments.

All members noted above have been actively participating on these various boards, councils and/or committees and are willing to be reappointed.

If you have any questions, please contact me.

Sincerely,



Mary Barker, Administrator

CLOSED SESSION

Vice-Chairman Kirkpatrick made a motion to enter into Closed Session for Attorney/Client Privilege as provided in G.S. §143-318.11(a)(3). Commissioner Upton seconded, the motion carried unanimously.

The Board returned from closed session.

ADJOURNMENT

Commissioner Sorrells made a motion to adjourn the regular Board meeting. Commissioner Ensley seconded, and the motion carried unanimously.

The time of adjournment was 11:46 a.m. The DVD is attached by reference to the minutes.

CLERK

CHAIRMAN