

**WESTERN HIGHLANDS AREA AUTHORITY
APRIL 4, 2008, REGULAR MEETING**

BOARD MEMBERS PRESENT: Nancy Carey; John W. Condrey; William J. Cook, Jr.; Patricia Franklin; Susan Hendrick (via conference call); Minnie Jones; Robert Ratcliffe; Steve Smith; Mandy Stone; Arthur C. Wilson, Jr.; and Steve Wyatt.

BOARD MEMBERS ABSENT: Abigail Karroubi; Steve Garrison; Michele Lawhern; Charles Vines; and Ryan Whitson.

MEMBERS OF THE PUBLIC PRESENT: Bob Carey; Adam Justin; Jerry Rice; Dan Zorn; and Paul Tax

ALSO PRESENT: Arthur D. Carder, Jr., Chief Executive Officer; Sharon Lentz, Chief Financial Officer; Charlie Schoenheit, Chief Operating Officer; Bill Bullington, State Liaison; Lynn Trotter, Provider & Consumer Relations; Victor W. Buchanan, Legal Counsel and Beverly Atkins, Clerk to the Board.

CALL TO ORDER: The area board ("Board") of the Western Highlands Area Authority met on Friday, April 4, 2008 at 9:35 a.m. in the second-floor Conference Room (Room 312/315) of 356 Biltmore Avenue, Asheville, North Carolina. The Chair called the meeting to order.

PUBLIC COMMENTS: Mr. Jerry Rice made comments relative to the Fund Balance and needs in schools.

APPROVAL OF AGENDA: *Mr. Wilson made a motion to approve the agenda as presented. Mr. Wyatt seconded the motion, and it carried by a unanimous vote. (A copy of the agenda is included in the minute book with these minutes.)*

APPROVAL OF MINUTES: *Ms. Hendrick made a motion to approve the minutes for the March 7, 2008, Regular Meeting as presented. Mr. Wilson seconded the motion, and it carried by a unanimous vote. (A copy of the March 7, 2008, Regular Meeting minutes is included in the minute book with these minutes).*

Mr. Buchanan distributed the Closed Session minutes for March 7, 2008 for Board review for approved at the next meeting. Ms. Hendrick made a motion to seal the minutes for the March 7, 2008 Closed Session and to withhold such minutes from public inspection so long as public inspection would frustrate the purposes thereof. Ms. Jones seconded the motion and it carried by a unanimous vote.

CFAC REPORT: Mr. Carey presented the CFAC report. The membership committee has interviewed three prospective members. A recommendation will be made to the full CFAC at the next meeting. CFAC continues to recruit candidates from counties not currently represented. CFAC will attend a regional leadership conference with Catawba and Crossroads in Hickory on May 1, 2008. The topic for the meeting is crisis planning. Mr. Carey reported that CFAC members visited the new Crisis facility on March 24th. The Executive Committees of CFAC and WHN Board will meet on April 18th at 10:00 a.m.

COMMITTEE REPORTS: Ms. Stone reported that each member received a survey from Ms. McKee asking for input on both the CEO performance evaluation process and timeline. The Executive Committee met on March 26th to work with Ms. McKee to incorporate input received. The results will be brought to a future meeting as an action item. At the direction of the Board, Ms. Stone and Mr. Carder met to establish goals for the upcoming year. Ms. Carey stated that when doing the performance evaluation the accomplishments of the Local Business Plan should be considered. Mr. Carder presented the goals established for 2008.

Ms. Hendrick presented a summary from the QIAC February 1, 2008 meeting.

CHIEF FINANCIAL OFFICER REPORT: Ms. Lentz presented the February, 2008, financial statement. She has added a new category "Crisis Services" on the income statement under child substance abuse. (A copy of the report is included in the minute book with these minutes.)

Ms. Lentz presented budget amendment #3 for approval. The proposed amendment for FY 2008 is necessary to account for final settlement of Blue Ridge Center, Trend, and Rutherford-Polk Area Programs dissolution funds and allocation letters #17-22. This budget amendment represents an increase to the WHN budget of \$1,646,368 and will increase the budget to \$54,800,768. Mr. Wilson asked whether MOE funds must be expended in the current year. Ms. Lentz will check with the State to get clear direction on this issue.

Mr. Wilson made a motion to approve budget amendment #3 as presented. Dr. Ratcliffe seconded the motion, and it carried by a unanimous vote..

BOARD MEETING CHANGE: Ms. Stone reported that Mr. Carder will be out of town for the May meeting due to a commitment that was made prior to the Board meeting being changed to the first Friday. She requested approval to change the May Board meeting to April 25th and to cancel the July 4th meeting. Mr. Condrey requested that the April 25th meeting change be discussed under New Business.

Mr. Wyatt made a motion to cancel the Regular July 4th meeting. Mr. Wilson seconded the motion, and it carried by a unanimous vote.

CHIEF EXECUTIVE OFFICER REPORT: Mr. Carder made a report with respect to the following:

- ⇒ Reported about meeting with Senator Nesbitt relative to Single Stream Funding and a Waiver. He shared how WHN approached the State concerning a waiver in the past and was told no. Senator Nesbitt spoke to Secretary Benton about these issues and expressed his concern.
- ⇒ Mr. Carder met with Secretary Benton relative to the waiver, unpaid claims, primary care projects and WHN, in general.
- ⇒ Secretary Benton addressed MOE funds in particular. WHN receives \$1.4 million in MOE funds. If we are not able to spend the funds the State could reduce our funds, which would not be positive for WHN. WHN needs to come up with projects for use of these funds. Mr. Carder has asked Mr. Buchanan to give a legal opinion regarding the provision in the Code for the MOE funds that would allow counties the one time option of reducing their MOE allocation for a given year because of some special need. If the funding would be restored in the next year.
- ⇒ WHN continues working on establishing the telemedicine project in the three Northern Counties. WHN is working with Alpha-Omega to utilize a Psychiatrist at a site in Buncombe County and sites in each of the three northern counties. Funds are available to purchase equipment for this process.
- ⇒ A copy of Clinical Functions of the LME was distributed for board members to use when discussing needs of WHN with Legislators, etc. Also, a bulleted summary of WHN's response to the Governor's proposal was emailed to board members earlier this month to use as talking points.
- ⇒ Staff is in the process of putting together paperwork to apply for single stream funding to be effective July 1, 2008.
- ⇒ Monthly Management Report
- ⇒ Medicaid dollars-if responsibility comes back to us, WHN would be required to maintain a higher percentage of the budget in fund balance.

Mr. Wilson asked about service gaps and core providers in the eight Counties. Ms. Hendrick stated that Donald Reuss reported to QIAC that WHN is working on a gap survey. They are planning on presenting a report to the full Board.

STATE LIAISON REPORT: Mr. Bullington stated that he has nothing to report with respect to the Mercer Report.

NEW BUSINESS: Mr. Smith summarized the discussion from the Finance Committee meeting regarding fund balance. The way budget is currently structured WHN needs to have a fund balance in the range of 8-15 percent. Finance Committee members feel strongly about staying with a higher end of the range around 15%. WHN has approximately \$6 million over and above this that needs to be designated for specific purposes. Mr. Wyatt proposed that some of the fund balance be invested in communities. He would like to see a program of local community investment grants. These would be matching grants with the Counties and the LME based on population for next fiscal year. After much discussion, Ms. Stone stated that a decision must be made relative to designating a portion of fund balance. In order to do that two things need to happen 1) need to have the gap analysis 2) must have budget information. These items will be sent to members before the next meeting in order to prepare for discussion.

Mr. Carder suggested having a work session on April 25th .

Ms. Hendrick made a motion to have a work meeting on April 25th at 9:30 a.m. with members being prepared to stay through lunch and members receiving data a week prior to the meeting, with a regular meeting on May 16th at 9:30 a.m. Mr. Wilson seconded the motion, carried by a unanimous vote.

Mr. Carder stated that at this time Board members may participate at Board meetings by conference call. He suggested a revision to the by-laws that clarifies that participation in Closed Session of the Board can only be done by being present. Ms. Stone stated that the other item to be included in the revision is the awareness that if a member participates by conference call there is no way to assure that all the written material will be received.

ADJOURNMENT: *Ms. Jones made a motion to adjourn the meeting. Dr. Ratcliffe seconded the motion, which carried by a unanimous vote; and the meeting adjourned at 11:30 a.m.*

Respectfully submitted,

Beverly Atkins
Clerk to the Board