

**WESTERN HIGHLANDS AREA AUTHORITY
APRIL 21, 2006, REGULAR MEETING**

BOARD MEMBERS PRESENT: Susan Hendrick, Chair, Presiding; John W. Condrey; William J. Cook, Jr.; Justin B. Hembree; Minnie Jones; Abigail Karroubi; Michele Lawhern; Rick McDevitt; G. Keith Parker; Michael Talbert; Ryan Whitson; and Arthur C. Wilson, Jr.

BOARD MEMBERS ABSENT: Nancy Carey; Patricia Franklin; Robert Ratcliffe; and Mandy Stone.

MEMBERS OF THE PUBLIC PRESENT: Nancy Baker; Lynn McMillan; Jerry Rice; and Dan Zorn

ALSO PRESENT: Arthur D. Carder, Jr., Chief Executive Officer; Rhonda R. McKee, Human Resources Director; Vince Newton, Director, Community and Consumer Relations; Anne Doucette, Director, Provider Network; Sonia Eldridge, Provider Network; Charlie Schoenheit, Director, Services Management; Sharon Lentz, Chief Financial Officer; 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 21, 2006, at 9:32 a.m. in the second-floor Conference Room (Room 312/315) of its Administrative Offices, 356 Biltmore Avenue, Asheville, North Carolina. The Chair called the meeting to order.

PUBLIC COMMENTS: Mr. Dan Zorn made comments relative to the concerns of providers that he mentioned at the last meeting. He reported that those concerns are being addressed because there have been regular meetings in the past month about the concerns. Mr. Zorn stated that he appreciates the efforts of Mr. Carder and staff. Mr. Zorn made comments relative to Buncombe County's MOE funds. The County requested bids for Psychiatric Services and 11 providers applied. This is a very creative use of these funds and he recommended where possible that counties evaluate this process. Mr. Rice made comments relative to the needs of consumers. There is not a process in place whereby the needs of the clients are addressed. Consumer Relations and Access Departments are already over loaded.

APPROVAL OF AGENDA: Ms. Lawhern made a motion to approve the agenda. Ms. Jones 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: Mr. Talbert made a motion to approve the minutes of the March 17, 2006 meeting. Mr. Condrey seconded the motion, and it carried by a unanimous vote.

BOARD CHAIR REPORT: Ms. Hendrick reported that the Executive Committee met and developed the process for the CEO Evaluation. The evaluation process will take place in Closed Session at the end of the meeting. Ms. Hendrick asked Mr. Carder to discuss the MOE funds resolution. Mr. Carder reported a draft of resolution is included in item #3 "April CEO Report". Ms. Hendrick read the proposed resolution. Mr. Whitson made a motion to adopt the first sentence only. Mr. Condrey seconded the motion. After much discussion, Mr. Whitson withdrew his motion.

CHIEF EXECUTIVE OFFICER'S REPORT: Mr. Carder reported on the request made at the last meeting regarding the comments made by New Vistas in their presentation. Mr. Carder spoke to Mr. Callison who said that the list of issues submitted were answered in Mr. Carder's written response. Mr. Carder reported that the Secretary has awarded the UR functions for Medicaid to ValueOptions. Western Highlands has been selected to do the After-hours STR function. The Secretary's decision will result in a reduction of funds amounting to \$2,380,638. Mr. Carder presented a PowerPoint presentation relative to the reduction in funds. Mr. Carder asked the board to approve the plan for a reduction-in-force as presented which will result in a reduction of 35 filled positions.

After a discussion, Mr. Whitson moved as follows: The Board will hold a special meeting on Wednesday, April 26, 2006, at 9:00 a.m.; the purposes of the special meeting are to hold a closed session in order to consult with the Board's Legal Counsel pursuant to Section 143-318.11 (a)(3) of the General Statutes of North Carolina and in order to consider personnel matters pursuant to Section 143-318.11 (a)(6) of the General Statutes of North Carolina, and in open session, to consider, and possibly take action upon, a reduction-in-force plan relative to employees of the Western Highlands Area Authority; and the Administrative Staff is to provide the Board Members with information concerning such plan and employees prior to the special meeting. Ms. Jones seconded the motion, and after a further discussion, it carried by a unanimous vote.

CHIEF FINANCIAL OFFICER'S REPORT: Ms. Lentz presented the financial report for March 2006, after which Mr. Talbert reported that the Finance Committee reviewed the financial statement and recommends approval. Mr. Hembree seconded the motion, and it carried by a unanimous vote. (A copy of the financial report is included in the minute book with these minutes.)

Ms. Lentz presented budget amendment #3 to the FY 2006 budget, after which Mr. Talbert reported that the Finance Committee reviewed the budget amendment and recommends approval of the budget amendment as presented. Mr. Wilson seconded the motion, and it carried by a unanimous vote. (A copy of the financial budget amendment is included in the minute book with these minutes.)

Ms. Lentz stated that item #6 is for information purposes regarding Western Highlands funding sources, which was requested at the last meeting.

Ms. Lentz requested that the board approve entering into a contract with Gould-Killian CPA Firm to perform audit process for Western Highlands for fiscal year 2006. The amount of the audit contract is \$35,300. Mr. Talbert stated that this comes as a recommendation from the Finance Committee to award the contract for \$35,300. Ms. Karroubi seconded the motion, and it carried by a unanimous vote.

Ms. Lentz distributed an update of Blue Ridge, Rutherford-Polk and Trend. This is primarily a listing of the legacy programs today in the system and their cash balances and possible liabilities.

COMMITTEE REPORTS: Ms. Hendrick reported that the Quality Improvement Advisory Committee will meet following the board meeting. Ms. Hendrick reported that Ms. Atkins is working on scheduling a meeting of Operations Policy Committee. Mr. Parker made a report with respect to Strategic Planning Committee. Mr. Parker made a request that board members help find community members for the Committee. Ms. Hendrick announced that Mr. Parker is the chair of the committee. The committee will be meeting at 8:00 or 8:30 a.m. prior to the board meeting.

CFAC: Ms. Baker distributed a written report. Ms. Baker reported that CFAC has had a very busy month. The Executive Committee met twice during the month. Membership Committee interviewed three prospective persons from Madison County. All three learned of CFAC through recent advertising campaign. Ms. Baker reported that the plan to hold CFAC meetings in other counties has met with some difficulties; however, CFAC hopes to meet in Transylvania County in June and Yancey County in September. CFAC is planning a picnic June 17 at the Pavilion on White Oak Mountain in Polk County for current and former CFAC members and their families. WHN staff and board members are encouraged please put this on their calendars.

LEGISLATIVE OVERSIGHT COMMITTEE: Mr. Thompson distributed a draft LOC proposal, which is a combination of recommendations. Some recommendations regard allocation of funds in certain areas and some request action by the Department. This report reflects Senator Nesbitt and Representative Insko's feedback to staff. The full committee is reviewing the draft and will be meeting Thursday, April 27, 2006 to make modifications before the report is presented to the entire Legislature.

BOARD MEMBER COMMENTS: Mr. Wilson suggested that the contract with the State be reviewed regarding certain items. The Executive Committee negotiated on several funding issues. Mr. Parker made a comment with respect to the role of ValueOptions. Ms. Jones expressed her concern regarding the cuts.

CLOSED SESSION: A motion was made at 11:28 a.m. by Mr. Parker, seconded by Mr. Whitson, and carried by a unanimous vote to go into closed session, pursuant to Section 143-318.11(a)(3) of the General Statutes of North Carolina, to consult with the Legal Counsel, and Section 143-318.11(a) (6) to consider Personnel issues.

The open session resumed at 12:04 p.m. The regular meeting then adjourned at 12:08 p.m.

Respectfully submitted,

Beverly Atkins
Clerk to the Board