

**WESTERN HIGHLANDS AREA AUTHORITY
MAY 16, 2008, REGULAR MEETING**

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

BOARD MEMBERS ABSENT: Abigail Karroubi; Michele Lawhern; Robert Ratcliffe; and Steve Smith.

MEMBERS OF THE PUBLIC PRESENT: Bob Carey; Adam Justin; Lillian Rhymer; 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; Rhonda McKee, HR Director; Donald Reuss, Director, Provider & Consumer Relations; Lynn Trotter, Provider & Consumer Relations; Kris Booker, Quality Management; Kathy Rubendall, Provider Monitoring; Victor W. Buchanan, Legal Counsel and Beverly Atkins, Clerk to the Board.

SPECIAL MEETING AND PUBLIC HEARING: At 9:10 a.m. on Friday, May 16, 2008, in the second floor Conference Room (Room 312/315), 356 Biltmore Avenue, Asheville, North Carolina the Chair called the special meeting to order. The purpose of this special meeting was to hold a public hearing concerning the proposed Budget of Western Highlands Area Authority for Fiscal Year 2009 and to hear public comments, concerns and questions, if any, with respect to the proposed budget. Mr. Carey made comments relative to proposed rules in the NC Register on Payment Reporting and Settlement for Local Management Entities Systems Management. that came out on May 15, 2008. Mr. Carey wanted the board to be aware of the proposed rules because he believes they will affect the 2009 budget. The effective date for the rules will be February, 2009 with comments being due by July 16th. Mr. Rice made comments relative to the substantial difference in expenditures between adult MH/DD/SA and children MH/DD/SA. Ms. Rhymer made comments relative to 2006 conclusions and recommendations in funding.

Ms. Sharon Lentz was present to answer questions with respect to the proposed budget for Fiscal 2009.

At 9:25 a.m., as there were no further public comments regarding the proposed FY 2009, Mr. Vines made a motion to adjourn the public hearing. Mr. Garrison seconded the motion, and it carried by a unanimous vote.

CALL TO ORDER: The area board ("Board") of the Western Highlands Area Authority met on Friday, May 16, 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. Dan Zorn made comments relative to case management/paraprofessionals within community support services. The vast majority of paraprofessional based providers are being audited. Providers will be required to make paybacks. Community Support freezes and post payment reviews will cause capacity problems within provider agencies. Mr. Zorn stated that he is currently serving as a member of work group convened in Raleigh with the charge to reforming reform. The group includes representatives from four providers, two CFAC representative, two LME representatives and four DMH/DMA staff.

Mr. Jerry Rice made comments relative to the proposed meeting of the School Personnel and others. He stated this meeting is very important and should be scheduled as soon as possible. Perhaps a special meeting could be scheduled. He then made comments relative to the fund balance.

APPROVAL OF AGENDA: *Mr. Wilson made a motion to change the order of the agenda under VII CFO report as follows: switch (b) and (c) to hear the presentation, Proposed Budget prior to Fund Balance Designation discussion and to allow additional time for public comments. Mr. Wyatt seconded the motion, and it carried by a unanimous vote. (A copy of the revised agenda is included in the minute book with these minutes.)*

At the request of the board Mr. Zorn made additional comments relative to purpose and accomplishments of the work group meeting in Raleigh. Mr. Whitson asked that a report by Mr. Zorn on the conclusions of the work group be listed as an agenda item at the next meeting.

APPROVAL OF MINUTES: *Mr. Garrison made a motion to approve the minutes for the April 25, 2008, Regular Meeting with outlined changes to page 2. Mr. Wilson seconded the motion, and it carried by a unanimous vote. (A copy of the corrected April 25, 2008 Regular Meeting minutes is included in the minute book with these minutes).*

CFAC REPORT: Mr. Carey presented the CFAC report which was distributed. Mr. David Bogin, representing Madison County, was appointed by CFAC to be a new member. CFAC members attended regional leadership training in Hickory. The Consumer Run Business Conference held on May 14th had over 80 in attendance. CFAC reviewed FY09 budget and recommends approval. The next CFAC meeting will be held in Polk County on June 23rd.

CHIEF FINANCIAL OFFICER REPORT: Ms. Lentz presented the April, 2008, financial statement which represents 10 months out of a 12 month period. (A copy of the report is included in the minute book with these minutes.) Mr. Whitson requested that the new Financial Accountability Specialist be introduced at the June meeting.

Ms. Lentz presented the Proposed FY09 Budget for discussion. Mr. Wilson asked for a breakdown of the \$165,000 in capital outlay listed on page 2. Ms. Lentz stated that the amount is an estimated number for replacing servers.

After much discussion, Mr. Wilson made a motion that for employees a 2% cost of living effective July 1, 2008, a 2% cost of living plus 2% for merit effective January 1, 2009 be included in the budget and to remove the extra 2% contribution to 401-k. Mr. Wyatt seconded the motion, and it carried by a unanimous vote.

Ms. Lentz then presented Item #4a Fund Balance worksheet. Ms. Lentz and boardmembers went through the worksheet line by line. After much discussion it was the consensus of the members to proceed with the recommendations made to be voted on at the June 6, 2008 meeting. (A copy of the Fund Balance worksheet is included in the minute book with these minutes).

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

- ⇒ June meeting: the budget will be discussed, the Mountain Council on Alcohol and Drug Dependence will do a presentation, and representatives from the Western NC Health Network (Hospital CEOs) will be invited to the meeting to have 45 minutes to present their thoughts and concerns.
- ⇒ Suggested that the August meeting 9:00-12 noon in an auditorium setting. Representatives around youth services in the eight county area will be invited to address the board. The board will then have lunch and do business from 12-2. Mr. Wilson offered to have the meeting in their new library.
- ⇒ September meeting primary care projects presentation.
- ⇒ Regional Community Forums in Columbus, Hendersonville and Burnsville have been scheduled.
- ⇒ Distributed CEO/Board information and detailed Mercer Report.
- ⇒ Secretary Benton's response to the LOC was distributed.

- ⇒ Discussion with other LMEs in our region about the Secretary and LOC proposals. ASO group planning by three LMEs has fallen apart. WHN will be having discussions with Smoky and Mecklenburg.
- ⇒ Has asked the Catawba LME director to coordinate a meeting with the other LME directors in late June to begin discussions around possible consolidation of various services.
- ⇒ 60,000 million people in the US or 1 in 4 adults and 1 in 5 children have a mental illness. It costs about 80 billion annually to care for the need. Alcohol and drug abuse contributes to the deaths of 100,000 people every year. This is one of the poorest funded and supported population in our catchment area. Mountain Council on Alcohol and Drug Dependence will make a presentation at the June meeting. ½ trillion a year in lost wages, expenses, etc are associated with substance abuse. It is very expensive not to be dealt with effectively. Persons with serious mental illness die 25 years sooner than the general population.

BOARD MEMBER COMMENTS: Mr. Wilson thanked Ms. Lentz, Mr. Carder, staff, and board members for the budget information and discussion.

Ms. Carey invited everyone to the Mental Health Association dinner on May 20, 2008 at 6:30 p.m. at the Baptist Church. Jim Greer, CFAC Liaison, will be the speaker. RSVP to Ms. Carey 828-675-5271.

ADJOURNMENT: *There being no further business the meeting adjourned at 1:00 p.m.*

Respectfully submitted,

Beverly Atkins
Clerk to the Board