

**WESTERN HIGHLANDS AREA AUTHORITY
MAY 19, 2006, REGULAR MEETING**

BOARD MEMBERS PRESENT: Susan Hendrick, Chair, Presiding; Nancy Carey; William J. Cook, Jr.; Minnie Jones; Abigail Karroubi; Michele Lawhern; Rick McDevitt; Mandy Stone; Michael Talbert; Ryan Whitson;

BOARD MEMBERS ABSENT: John W. Condrey; Patricia Franklin; Justin B. Hembree; G. Keith Parker; Robert Ratcliffe; and Arthur C. Wilson, Jr.

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

ALSO PRESENT: Arthur D. Carder, Jr., Chief Executive Officer; Dan Gerber, Chief Operating Officer; Charlie Schoenheit, Director, Services Management; Sharon Lentz, Chief Financial Officer; Lynn Trotter, Consumer Relations Team Leader; Lawrence E. Thompson, III, LOC; 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, May 19, 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. Bob Carey distributed information and made comments relative to the funds contributed by the four counties over the 29-year history of the Blue Ridge Area Authority. Mr. Rice made comments relative to his concerns regarding the numbers of complaints/concerns given in the monthly reports. He does not feel the report reflects the true concerns of the consumers. There may be a conflict of interest with the consolidation of Provider Network and Community and Consumer Relations as he feels that clients will not benefit by the consolidation. Another concern is the "Safety Net Provider" which is not a new issue. The definition of a "Safety Net Provider" is still not established .

APPROVAL OF AGENDA: Ms. Carey made a motion to approve the agenda. Ms. Karroubi 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 for:

- the April 21, 2006, regular meeting;
- the April 21, 2006, closed session;
- the April 26, 2006, special meeting;
- the April 26, 2006, closed session;

and to seal and withhold the minutes of such closed sessions 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.

BOARD CHAIR REPORT: Ms. Hendrick reported that she attended a meeting of the Rutherford County Collaborative with Arthur as he addressed their concerns. He discussed the things that could not be changed because of law and what he would work on to solve. He encouraged the Collaborative to meet regularly. Ms. Hendrick stated that with respect to the CEO Evaluation she is working with Mr. Carder to get the document finished. She will pass the information to the Executive Committee and then to the full board at the June meeting.

CHIEF EXECUTIVE OFFICER'S REPORT: Mr. Carder highlighted a couple of things that were not included in his CEO report. He made a presentation to the Madison County Commissioners on May 8. Scheduling conflicts prevented Arthur and Larry from including Madison County in the regular visitation cycle established

previously. Copies of organizational charts were distributed based on the new staffing pattern. Ms. Stone had asked specifically about the levels of responsibilities and duties. Mr. Carder reported that he met with Mr. Fields this past week of Senator Elizabeth Dole's office. They were interested in getting an update/information regarding mental health issues. Mr. Carder discussed the FY 07 budget process. A couple of the critical areas being considered are a reduction in room and board rates in the 2007 contracts as well as putting "Caps" on the contracts. Contracts will indicate the services that are being provided and will show maximum amount allowed per contract. Contracts will be monitored on a monthly basis. 2007 contracts will define some clear expectations on services to be delivered. Mr. Carder stated that with respect to the 30 folks being RIF'd one person has accepted a new position. Many others have been interviewing. A letter sent to providers resulted in over 50 responses announcing vacant positions. Joblink folks met with affected staff, inviting them to hear about their services and providing much valuable information.

Mr. Carder presented the monthly management report. Mr. Carder discussed the proposed budget for FY 07 stating that he is most concerned about the salary increases. In 2005, Western Highlands authorized in its budgeting process 5.3% salary increases across the board and 2006 it was 5.4%, which he thought, was very high. What is being proposed for FY 07 is 3.5% salary increase for all levels (merit and cost-of-living).

Mr. Carder discussed item #5 proposed LOC Resolution supporting the proposed LOC report. He encouraged the board to adopt the resolution and authorize the board chair sign.

Ms. Carey made a motion to adopt the LOC resolution and authorize the board chair to sign. Mr. Talbert seconded the motion, and the motion carried with Ms. Jones opposing.

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. Whitson 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 the proposed Budget for FY 07. There will be a budget hearing 9:30 a.m. on June 16, 2006. Ms. Lentz distributed Tentative Settlement Report for Blue Ridge, Rutherford-Polk and Trend the Division of MH/DD/SAS has made known their decision to allow settlement for FY 2003.

Ms. Hendrick reported that staff has worked out space agreement with Buncombe County. Mr. Carder reported most staff located upstairs will move down stairs with the exception of the Business Office and IS (Information Services). The FY 07 budget does not reflect any reduction in expenses associated with the frequency of the board meetings. The Executive Committee will meet prior to the June meeting to make a recommendation on where and how often the board should meet. Ms. Atkins will send an email to schedule the meeting.

COMMITTEE REPORTS: Ms. Hendrick reported that the Quality Improvement Advisory Committee would meet following the board meeting. Ms. Carey made a report relative to the Human Rights Committee, which met on May 2, 2006. Ms. Carey expressed the committee's concern regarding the Western Highlands Network's ability to keep up with local monitoring, working with providers, follow-up on grievances/appeals/complaints, and building a provider network in particular in the rural counties. Ms. Carey reported that in an effort to reduce cost would no longer serve a meal.

CFAC: Ms. Baker distributed a written report. Ms. Baker reported that at their last meeting Mr. Thompson briefed CFAC on the LOC draft report. Pages 66 and 67 of the LOC report relate to the make-up of the CFAC committee and board members. CFAC expressed its concerns regarding this issue. Ms. Baker reminded the board of the CFAC picnic scheduled for 12:00 p.m. on June 17 at White Oak Mountain. Ms. Baker reported that the CFAC has canceled the 2001 Coalition Legislative Rally trip to Raleigh and will set up four Legislative/Candidate Breakfasts in the fall. The membership committee will meet to bring recommendations to CFAC for new members. Those elected will be presented to the LME Board for ratification at the July Board meeting. The July meeting of CFAC will be held in Transylvania County.

LEGISLATIVE OVERSIGHT COMMITTEE: Mr. Thompson distributed a summary of the cost of LOC recommendations as of May 10, 2006. Mr. Thompson discussed page 67 of the proposal relating to CFAC membership. He believes the LOC will change the criteria recommended in the report. Mr. Thompson then went through the funding summary to give some clarification.

BOARD MEMBER COMMENTS: Ms. Hendrick encouraged board members to be courteous to speakers by not engaging in side bar comments.

ADJOURNMENT: Ms. Jones made a motion to adjourn the meeting. Mr. Whitson seconded the motion, which carried by a unanimous vote; and the meeting adjourned at 11:20 a.m.

Respectfully submitted,

Beverly Atkins
Clerk to the Board