

THE BOARD OF COMMISSIONERS OF THE COUNTY OF CRAVEN RECONVENED ITS REGULAR SESSION OF MAY 19, 2014 AND RECONVENED SESSION OF MAY 20, 2014 AT 8:30 A.M. IN THE COMMISSIONERS' ROOM OF THE CRAVEN COUNTY ADMINISTRATION BUILDING, 406 CRAVEN STREET, NEW BERN, NORTH CAROLINA. THE PURPOSE OF THIS RECONVENED MEETING WAS TO CONDUCT A BUDGET WORK SESSION.

MEMBERS PRESENT:

Chairman Thomas F. Mark
Vice Chairman Jefferey S. Taylor
Commissioner Lee Kyle Allen
Commissioner Scott C. Dacey
Commissioner Theron L. McCabe
Commissioner Johnnie Sampson, Jr.
Commissioner Steve Tyson

STAFF PRESENT:

Jack B. Veit III, County Manager
Gene Hodges, Assistant County Manager - Facilities/Operations
Richard F. Hemphill, Assistant County Manager – Finance/Administration
Amber Parker, Human Resources Director
Gwendolyn M. Bryan, Clerk to the Board
Jim Hicks, County Attorney

The Board began with follow-up on memberships for NC20 and the Highway 17 Association. The consensus was to budget for NC20, but to hold the funds until their budget is received, as requested. The consensus was to fund the Highway 17 Association once again, this being the last year unless they can demonstrate their leverage in lobbying efforts to improve the status of Highway 17 in Craven County.

The Board resumed its review of budget, covering the line items from Information Technology through Health, with the following highlights:

- Tax - discussion of value of contingency based fee for tax audits relative to a flat fee basis
- Parks and Recreation - addition to light football and soccer fields at Creekside Park and re-surfacing of tennis courts at West Craven Park (in Capital Improvement Plan)
- Health – discussion of Home Health Agency sale. Consultant, Ron Clitherow, reported that three bids came in for purchase of the County's agency in the \$750,000 range, with one bid going upward to \$850,000. He stated that it was a very good result, as the average value of a Certificate of Need (CON) usually placed at \$250,000 - \$400,000, with lower population areas being at the lower end of the range. He advised of the next steps, a Letter of Intent (LOI) to be executed by the County Attorney and the Chairman authorizing movement forward to an Asset Purchase Agreement, followed by the Asset Purchase Agreement to be acted upon no sooner than 60 days following a public hearing on the proposed sale. Mr. Clitherow emphasized that this is a very good offer in light of the current Medicaid reimbursement climate. He informed the Board that liability always remains with the owner of the Medicaid number, and liability transfers with transfer of the number. It is expected that the buyer will desire due diligence work which will entail and audit and indemnification. The agent, however, will try to limit the County's liability for retroactive claims. Retroactive liability can go back three years. Mr. Clitherow recommended establishing a contingency fund in a separate account to provide for any such eventuality.

The estimated closing is no sooner than late August – early September, for a “soft closing” followed by a “tie-in letter” from the Medicaid Center three to six months after the closing. The new buyer will operate under the Health Department, with no address change or change in electronic transfer ID before the “tie-in letter”. Mr. Clitherow stated that he will work with the County on electronic transfer procedures during the transition.

County Attorney, Jim Hicks, stated that he was prepared to recommend moving forward with the Letter of Intent. There was no objection from the Board, and by consensus they agreed to move forward.

Commissioner Dacey inquired about the value of a CON for an inpatient hospice. Mr. Clitherow made a distinction between general inpatient hospice (acute care) and residential care (longer term), which in his opinion is not a good idea. The challenges for Craven County's small facility would be keeping it to capacity, because it must be staffed to capacity only if partially filled. Partnerships with the hospital and medical community are essential, as is a well-respected professional in the community as director. Since there are no ancillary expenses to charge, but only a per diem, the amount of the per diem would deflate as some costs continue to rise. Fundraising efforts would need to continue.

Health Director, Scott Harrelson, made a PowerPoint presentation on a palliative care model. He stated the cost of a fulltime medical director, could be offset by the elimination of three positions, including the retirement of the current medical director. The result would produce about \$100,000 of the \$175,000 needed.

At 12:45 p.m. the Board was declared in recess.

The Board reconvened at 2:25 p.m.

Mr. Harrelson requested an opportunity to demonstrate the success of a palliative care program over two years, stating that it could be discontinued if it does not succeed.

The Board proceeded with review of the budget covering line items from Social Services through Schools, with the following highlights:

- Social Services – Contract employees are included as a result of problems with the NCFast program. Staff is trying to catch up on the workload created by the problems, and may need to come back to the Board for a mid-year adjustment. DSS has also requested to make a part-time foster care/adoption attorney fulltime at a Grade 78, Step2 \$68,500, impacting the budget by an additional \$35,500.
- Libraries – Commissioner Dacey announced an upcoming meeting of Regional Librarian, Susan Simpson, with Craven Community College President, Catherine Chew, to discuss potential for consolidation of resources and location. He cited a study which identified the Highway 70 East corridor as an area needing expansion of library services. He requested a copy of Havelock's budget request.
- Convention Center – Commissioner Dacey initiated discussion concerning the possibility of a private vendor operating the convention center. There was also discussion of the need to plan for an exposition center, which was included in the initial planning for the convention center, in the Capital Improvement Plan. Challenges are solving the parking issue and finding the funding. It was noted that the debt service on the facility will end in 2019.
- Schools – The recommended budget reflects an increase of \$614,000 over the previous year. There was consensus to defer a decision on teacher supplements until the state budget is made known, and meet with the Board of Education team at that time. Staff was requested to provide a debt service roll-off schedule at the Board's May 27 work session.

At 5:00 p.m. the Board was recessed until 8:00 a.m. May 27.

Chairman Thomas F. Mark
Craven County Board of Commissioners

Gwendolyn M. Bryan
Clerk to the Board