



# SANDHILLS CENTER

## Board of Directors Meeting Minutes June 14, 2016

### **Members Present:**

- Ross Streater
- Kay Cashion, Vice-Chairperson
- Frank Cleary
- Barbara McKoy
- Harry Southerland
- Kirk Smith
- Anthony Copeland
- Otis Ritter
- David Allen
- Leann Henkel
- Thad Ussery, Chairperson
- Jan Herring

- Priscilla Little
- Gart Evans
- Costella Donnell
- Shirley Hart
- Walter Ferguson
- Carol Whitaker
- Matthew Rothbeind
- Mazie Fleetwood
- Michele Weatherly, Secretary
- Bill Larrison

### **Staff Present:**

- Victoria Whitt
- Dr. Anthony Carraway
- Evelyn Savage
- Rob Scott
- Leonard Covington
- Sherry Bynum
- Anthony Ward
- Susan Campbell
- Martha Rogers
- Robin McKenzie

**Guest:** Dennis Farley, DMH, LME Technical Assistance Liaison

### **Call to Order and Invocation**

The Sandhills Center Board of Directors met on Tuesday, June 14, 2016, at the Administrative Office in West End, NC. Chairperson Commissioner Thad Ussery called the meeting to order at 7:00 p.m. Commissioner Barbara McKoy gave the invocation.

### **Board Member Conflict of Interest**

Chairperson Ussery noted the Conflict of Interest statement on the agenda and asked if any Board member had a conflict of interest concerning agenda items the Board would address in the meeting that would require recusal or if any item on the agenda warrants further discussion concerning conflict of interest. None were stated.

### **Certification of Quorum**

Secretary Michele Weatherly certified a quorum.

### **Absent Board Members Justifications**

Priscilla Little – Job training – excused. *A motion was made by Commissioner Kay Cashion and seconded by Commissioner Anthony Copeland to “excuse the absence”. The motion passed unanimously.*

Gart Evans – Out of state – excused. *A motion was made by Commissioner Kay Cashion and seconded by Commissioner Anthony Copeland to “excuse the absence”. The motion passed unanimously.*

Harry Southerland – Out of town on business – excused. *A motion was made by Commissioner Kay Cashion and seconded by Commissioner Anthony Copeland to “excuse the absence”. The motion passed unanimously.*

Chairperson Ussery noted that if a Board member acknowledges that they are going to attend the meeting then fails to attend, their absence is unexcused. All were in agreement.

Costella Donnell – Not in attendance – unexcused.

### **Approval of Minutes**

The minutes of the May 10, 2016 Board of Directors meeting were reviewed for approval.

A motion was made by Michele Weatherly and seconded by Mazie Fleetwood to "approve the May 10, 2016 minutes as presented". The motion passed unanimously.

**Amendments to Agenda**

None

**Public Comments**

None

**Chief Executive Officer's Report**

Mrs. Whitt, Chief Executive Officer, welcomed everyone and provided the following information:

- **Public Hearing: Establishment of Verifiable Percentage Goal for Participation by Minority Businesses in the Awarding of Building Construction Contracts Pursuant to N.C.G.S. 143-128.2**

*At 7:05 p.m., Chairperson Ussery declared tonight's Board of Directors meeting will serve as an open public hearing to discuss the Establishment of Verifiable Percentage Goal for Participation by Minority Businesses in the Awarding of Building Construction Contracts Pursuant to N.C.G.S. 143-128.2.*

Mrs. Whitt noted that as directed at the May 10<sup>th</sup> Board meeting, General Counsel Evelyn Savage has reviewed and compared the Minority Business Participation Plan that was proposed by Architect Wayne Stogner, to the State Guidelines. Ms. Savage has determined that Sandhills Center is a public entity and therefore must hold a public hearing before setting the minority percentage.

Mrs. Whitt noted that the participation percentage goal for construction projects involving State funds is 10% and in discussions with Mr. Stogner, he has indicated that 10 – 20% goals are typical for projects in this area. Mrs. Whitt stated that Board members would need to have a discussion to determine the minority percentage and then approve a resolution noting the percentage goal for participation by minority business. Once this is complete the bidding process will begin.

Commissioner David Allen stated that the Finance Committee had met and discussed minority participation and recommends using 15% minority participation. During discussions, Board members asked if the public hearing had been advertised; Mrs. Whitt stated yes. Matthew Rothbeind asked to have on record that Chairperson Ussery opened the meeting to the public at 7:05 p.m. and asked if anyone from the public would like to speak; then at 7:15 p.m. Chairperson Ussery again asked if anyone from the public would like to speak.

*As there was no one from the public who spoke during the open public hearing, Chairperson Ussery declared the public hearing closed at 7:15 p.m.*

*On behalf of the Finance Committee, a motion was made by Commissioner David Allen and seconded by Commissioner Kay Cashion to "recommend that the minority participation percentage be set at 15%". The motion passed unanimously.*

- **Resolution to Adopt Outreach Plan and Verifiable Percentage Goal for Participation by Minority Businesses in the Awarding of Building Construction Contracts Pursuant to N.C.G.S. 143-128.2**

*After Board discussion, a motion was made by Mazie Fleetwood and seconded by Commissioner Kay Cashion to "adopt a resolution on the Outreach Plan and Verifiable Percentage Goal for Participation by Minority Businesses in the Awarding of Building Construction Contracts Pursuant to N.C.G.S. 143-128.2. The percentage goal shall be set at 15%". The motion passed unanimously.*

- **New Office Building Update**

Mrs. Whitt noted that with the percentage goal set and approval of the resolution, the following will occur:

- The construction documents will be completed.
- The Competitive Bid Advertisement will go out within the next week.
- Public bid opening will be July 28<sup>th</sup> at 2 p.m. at Sandhills Center Area Office. All bids will be received and opened at Sandhills Center Area office by Stogner Architecture, PA.
- All bids will be reviewed by Stogner Architecture, PA and a committee composed of Sandhills Center management staff and the Board Chairperson.
- A recommendation of the prospective contractor will be present to the Board of Directors at the August 9<sup>th</sup> Board meeting.
- If a bid is awarded, construction contracts will be prepared within two weeks.

- **Public Hearing: FY 16 – 17 Continuation Budget**

*At 7:20 p.m., Chairperson Ussery declared tonight's Board of Directors meeting will serve as an open public hearing for consideration of the FY 16 – 17 Continuation Budget.*

For Board review and approval, Mrs. Whitt reviewed in detail the FY 16 – 17 Continuation Budget which provides Sandhills Center with an interim operating budget for the 1<sup>st</sup> quarter of FY 16 – 17.

The proposed Continuation Budget totaled \$305,647,553. This represented a decrease of 4.1% from the Operating Budget that was approved at the January meeting. The proposed budget allocated County General Funding, \$11,476,599, to the support of the County Outpatient Units. Mrs. Whitt noted that this may change as the Counties prepare their budgets and make decisions regarding funding.

Once the actual State fund allocations are received, a full budget will be prepared and presented for approval.

*As there was no one from the public who spoke during the open public hearing, Chairperson Ussey declared the public hearing closed at 7:22 p.m.*

*A motion was made by Commissioner David Allen and seconded by Michele Weatherly to “accept the FY 16 – 17 Continuation Budget”. The motion passed unanimously.*

- **FY 15 – 16 Close Out Budget**

For Board review and approval, Mrs. Whitt reviewed in detail the FY 15 – 16 Close Out Budget, a set of final budget amendments to the FY 15 – 16 Operating Budget.

The amendments increased the Center’s Current Operating Budget by a total of \$20,109,857.

Mrs. Whitt noted that at 5:00 p.m. today, she received communication from DMA (Division of Medical Assistance) regarding funding changes. Mrs. Whitt explained that last year a general statute was passed requiring LME/MCOs to maintain and pay the State share of the risk reserve. Since this notification was received after the FY 15 – 16 Close Out Budget had been completed, an amendment to the FY 15 – 16 Close Out Budget that was just presented would be necessary.

*A motion was made by Commissioner Kay Cashion and seconded by Commissioner David Allen to “accept the FY 15 – 16 Close Out Budget”. The motion passed unanimously.*

*A motion was made by Commissioner Kay Cashion and seconded by Michele Weatherly to “amend the FY 15 – 16 Close Out Budget to include the Intergovernmental Transfer Payment owed to DMA”. The motion passed unanimously.*

- **Fund Balance Designation Resolution**

Mrs. Whitt recommended that the Board of Directors consider and approve a *Fund Balance Designation Resolution* to designate \$52,500,000 which is currently in the general unrestricted fund balance. This will allow Sandhills to address future growth and expansion in the areas of: capital projects; future consolidations; and community services expansion.

*A motion was made by Commissioner Barbara McKoy and seconded by Michele Weatherly to “approve a Fund Balance Designation Resolution to designate \$52,500,000 for future growth and expansion”. The motion passed unanimously.*

- **Updates**

- **State Budget** – Mrs. Whitt reviewed the House and Senate budget comparison noting the major budget issues.

- **1115 Waiver** – Mrs. Whitt noted that the 1115 Waiver application has been submitted to The Centers of Medicare and Medicaid Services (CMS) on June 1<sup>st</sup>.

- **Other Pending Legislation Related to MH/IDD/SA** – Reviewed two legislative bills that are pending: SB 371 and SB 838.

- **NC DHHS LME/MCO Consolidation Proposal** – Secretary Brajer will be meeting to discuss his LME/MCO Consolidation Proposal to the Board of Directors Executive Committee on June 30<sup>th</sup> at 2:00 p.m. Mrs. Whitt also invited other Board members to attend.

- **County Commissioners Presentation Schedule and County Meetings**

Mrs. Whitt noted that she has met with all of the County Managers, and others identified by the Managers, to discuss ways available funding could be used to impact any underserved areas. Mrs. Whitt has received good feedback, and as a result of these individual meetings a few of the initiatives are included on the Finance Agenda for review. Mrs. Whitt also noted that she has completed the County Commissioners presentations.

- **Mrs. Whitt also reviewed the following:**

- 📎 Community Stakeholder's Breakfast Meetings Agenda
- 📎 Personnel Report
- 📎 Newspaper Articles

### **Clinical Services & Operations Report**

**Anthony Ward, Deputy Director/Chief Operating Officer reviewed the following:**

- The Medicaid Waiver Update for May 2016, noting all benchmarks continue to be met.

### **FY 16 – 17 Corporate Compliance Report**

Evelyn Savage, Chief Legal Officer/Corporate Compliance Officer noted that the FY 16 – 17 Corporate Compliance Plan was reviewed and approved in the Program Planning and Operations (PPO) Committee.

Ms. Savage gave a PowerPoint presentation of the Corporate Compliance Plan, noting the requirements, accomplishments, and goals of the Plan. Two new goals for FY 16 – 17 include: 1) establishing a Corporate Compliance Committee on the Board of Directors; and 2) establishing an internal auditing position.

*On behalf of the PPO Committee, a recommendation was made by Shirley Hart and seconded by Commissioner Ross Streater to "approve the FY 16 – 17 Corporate Compliance Plan". The motion passed unanimously.*

### **Finance Committee Report**

Commissioner David Allen reported the Finance Committee met prior to tonight's Board of Directors meeting and reviewed the Finance Report in detail.

Commissioner Allen presented and reviewed the Finance Report with the Board of Directors. A summary of the Consolidated Balance Sheet and Income Statement was reviewed and reflects services through May 31, 2016. Commissioner Allen noted that the contracts for FY 16 – 17 are being renewed at the current rate and will be adjusted, if necessary, as allocations from the State are received.

Commissioner Allen called attention to five agreements that are the result of the meetings Mrs. Whitt has been having with the County Managers, and others identified by the Managers:

1. Funding allocated for Correctional Behavioral Health to provide videoconference services at the Montgomery County Detention Center for the purpose of evaluations and consultations.
2. Funding allocated for a full-time licensed clinician to DSS for the purpose of reducing number of children entering foster care, increasing reunification with parents, and increase in parental skill acquisition.
3. Funding allocated for Empowering Lives to provide guardianship services for Lee County wards.
4. Funding allocated for Daymark Recovery to provide a licensed clinician to the Richmond County Health Clinic and the Hoke County Public Health for the purpose of evaluation and assessment of mental health needs and referrals.
5. Funding allocated for the University of North Carolina at Greensboro – Specialty Courts.

*On behalf of the Finance Committee, a motion was made by Commissioner David Allen and seconded by Commissioner Kay Cashion to "approve the Finance Report as presented". The motion passed unanimously.*

### **Committee Reports**

- **Program Planning and Operations (PPO) Committee Report** – As presented earlier by Evelyn Savage.
- **Client Rights Committee Report** – Chairperson Carol Whitaker gave the report.
- **Personnel Committee Report** – Chairperson Mazie Fleetwood noted that the Personnel Committee reviewed the following:
  - 📎 **Update: Review of move from VOYA 403(b) Plan to NC Prudential 401 (k) Plan** – Chairperson Fleetwood noted that as a continued effort to work on the transition from VOYA to Prudential, that effective July 1, 2016, the Prudential 401(k) Plan will replace the VOYA 403(b) Plan as the official deferred compensation option for employees. The Employer Contribution Rate will be directed to the Prudential 401(k) Plan. Effective September 30, 2016, the VOYA 403(b) Plan will be terminated. *On behalf of the Personnel Committee, a motion was made by Chairperson Fleetwood and seconded by Michele Weatherly to "adopt a resolution stating:*
    1. *Effective July 1, 2016, Prudential 401(k) Plan shall be the qualified defined contribution plan for Sandhills Center employees;*
    2. *Effective July 1, 2016, the Employer Contribution Rate will be directed to the Prudential 401(k) Plan, with no further contributions being made to the VOYA Plan; and*
    3. *Effective September 30, 2016, to terminate the VOYA 403(b) Plan."**The motion passed unanimously.*
  - 📎 **2016-2017 Pay Plan** – As a result of a 3% across-the-board increase in salaries, the affected salary grades and position ranges have been incorporated into the 2016-2017 Salary Schedule. *On behalf of the*

Personnel Committee, a motion was made by Chairperson Fleetwood and seconded by Commissioner Kirk Smith to "approve the FY 16 – 17 Pay Plan". The motion passed unanimously.

2017 Holiday Schedule – On behalf of the Personnel Committee, a motion was made by Chairperson Fleetwood and seconded by Commissioner Kirk Smith to "approve the 2017 Holiday Schedule". The motion passed unanimously.

**New Business**

Board members agreed to not meet in July.

**Old Business**

None

**Comments**


Mazie Fleetwood commented that Randolph Hospital signed an affiliation agreement with Moses Cone last week. Mrs. Whitt noted Randolph Hospital had applied for and been granted an integrated care project working with behavior health. They have requested that Sandhills Center participate. Dr. Carraway will represent Sandhills.

Commissioner Kirk Smith discussed his experience from a recent trip to the ED.

Mazie Fleetwood commented on the obituary of former Board member Neil Jones and how he was such an advocate for substance abuse.

**Adjournment**

A motion was made by Michele Weatherly and seconded by Commissioner David Allen to "adjourn the meeting". The motion passed unanimously. The meeting adjourned at 8:25 p.m.

  
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Commissioner Chad Ussery  
Chairman, Board of Directors

8-9-16  
\_\_\_\_\_  
Date

Documents referred to in these minutes may be obtained by contacting Sherry Bynum at [sherryb@sandhillscenter.org](mailto:sherryb@sandhillscenter.org) or 910-673-9111.

Submitted by: Sherry Bynum