



SANDHILLS CENTER

Board of Directors Meeting Minutes June 13, 2017

Members Present:

- | | |
|--|--|
| <input type="checkbox"/> Ross Streater | <input checked="" type="checkbox"/> Priscilla Little |
| <input type="checkbox"/> Kay Cashion, Vice-Chairperson | <input checked="" type="checkbox"/> Gart Evans |
| <input checked="" type="checkbox"/> Dixie Branch | <input type="checkbox"/> Costella Donnell |
| <input checked="" type="checkbox"/> Joe Miller | <input checked="" type="checkbox"/> Tonya Gray |
| <input type="checkbox"/> Harry Southerland | <input checked="" type="checkbox"/> Shirley Hart |
| <input type="checkbox"/> Kevin Dodson | <input checked="" type="checkbox"/> Walter Ferguson |
| <input type="checkbox"/> Anthony Copeland | <input checked="" type="checkbox"/> Carol Whitaker |
| <input type="checkbox"/> Otis Ritter | <input checked="" type="checkbox"/> Matthew Rothbeind |
| <input checked="" type="checkbox"/> David Allen | <input checked="" type="checkbox"/> Mazie Fleetwood |
| <input checked="" type="checkbox"/> Leann Henkel | |
| <input checked="" type="checkbox"/> Thad Ussery, Chairperson | <input checked="" type="checkbox"/> Michele Weatherly, Secretary |
| <input checked="" type="checkbox"/> Jan Herring | <input checked="" type="checkbox"/> Bill Larrison |

Staff Present:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Victoria Whitt | <input checked="" type="checkbox"/> Sherry Bynum |
| <input type="checkbox"/> Dr. Anthony Carraway | <input checked="" type="checkbox"/> Anthony Ward |
| <input checked="" type="checkbox"/> Evelyn Savage | <input checked="" type="checkbox"/> Susan Campbell |
| <input checked="" type="checkbox"/> Leonard Covington | <input checked="" type="checkbox"/> Hannah Brown |
| <input checked="" type="checkbox"/> Glenn Ruggles | |

Guest: Dennis Williams, DMH, LME Technical Assistance Liaison

Call to Order and Invocation

The Sandhills Center Board of Directors met on Tuesday, June 13, 2017, at the Administrative Office at 1120 Seven Lakes Drive, West End, NC. Commissioner Thad Ussery, Chairperson, called the meeting to order at 7:09 p.m. and gave the invocation.

Conflict of Interest

Chairperson Ussery read the Conflict of Interest statement 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. It was noted that Commissioner Joe Miller would need to recuse himself from voting on the Good Hope Hospital contract in the Finance Committee Report.

Certification of Quorum

Michele Weatherly, Secretary, certified a quorum.

Approval of Agenda

A motion was made by Commissioner Joe Miller and seconded by Leann Henkel to "approve the agenda as presented." The motion passed unanimously.

Absent Board Members Justifications

Commissioner Anthony Copeland – Medical issues – excused. *A motion was made by Mazie Fleetwood and seconded by Carol Whitaker to "excuse the absence". The motion passed unanimously.*

Commissioner Kay Cashion – Attending grandson's graduation – excused. *A motion was made by Mazie Fleetwood and seconded by Carol Whitaker to "excuse the absence". The motion passed unanimously.*

Commissioner Otis Ritter – Attending Moore County Commissioner's work session – excused. *A motion was made by Mazie Fleetwood and seconded by Carol Whitaker to "excuse the absence". The motion passed unanimously.*

Commissioner Ross Streater – Sick – excused. *A motion was made by Mazie Fleetwood and seconded by Carol Whitaker to "excuse the absence". The motion passed unanimously.*

Commissioner Harry Southerland – Church meeting – excused. *A motion was made by Mazie Fleetwood and seconded by Carol Whitaker to "excuse the absence". The motion passed unanimously.*

Commissioner Kevin Dodson – Emergency situation – excused. *A motion was made by Mazie Fleetwood and seconded by Carol Whitaker to “excuse the absence”. The motion passed unanimously*

Costella Donnell – Not in attendance – unexcused.

Public Comments

None

Consent Agenda

A motion was made by Carol Whitaker and second by Michele Weatherly to “approve the consent agenda”. The motion passed unanimously. The following was approved:

- ☛ May 9, 2017 Board of Directors Meeting Minutes

New Business

- **Chief Executive Officer’s Report – Victoria Whitt, Chief Executive Officer**

Mrs. Whitt welcomed everyone and provided the following:

- A. FY 17 – 18 Continuation Budget – Public Hearing**

At 7:11 p.m., Chairperson Ussery declared tonight’s Board of Directors meeting will serve as an open public hearing for consideration of the FY 17 – 18 Continuation Budget.

For Board review and approval, Mrs. Whitt reviewed in detail the FY 17 – 18 Continuation Budget which provides Sandhills Center with an interim operating budget for the 1st quarter of FY 17 – 18.

The proposed Continuation Budget totaled \$311,400,310. This represents a decrease of 1.8% from the Operating Budget that was approved at the May meeting. The decrease is caused by the removal of the Intergovernmental Transfer that was required for FY 15 – 16 and FY 16 – 17.

Mrs. Whitt noted that outside of the Continuation Budget, there are two Project Ordinances that have been previously approved for the Facility Based Crisis Center and the new office building on Grant Street.

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 Ussery declared the public hearing closed at 7:16 p.m.

A motion was made by Gart Evans and seconded by Walter Ferguson to “accept the FY 17 – 18 Continuation Budget”. The motion passed unanimously.

- B. FY 16 – 17 Final Budget Amendments**

For Board review and approval, Mrs. Whitt reviewed in detail the FY 16 – 17 Final Budget Amendments, a set of final budget amendments to the FY 16 – 17 Operating Budget.

The amendments increased the Center’s Current Operating Budget by a total of \$12,036,036.

A motion was made by Commissioner Joe Miller and seconded by Gart Evans to “accept the FY 16 – 17 Final Budget Amendments”. The motion passed unanimously.

- C. FY 17 – 18 Fund Balance Designation Resolution**

Mrs. Whitt recommended that the Board of Directors consider and approve a *Fund Balance Designation Resolution* to designate \$87,700,000. This will allow Sandhills to address future growth and expansion in the areas of: FY 17 – 18 Community Reinvestment Plan; 60 days Operating Expenses; and anticipated FY 18 & FY 19 State Budget Reductions & Intergovernmental Transfers.

A motion was made by Gart Evans and seconded by Commissioner David Allen to “approve a Fund Balance Designation Resolution to designate \$87,700,000 for future growth and expansion as outlined”. The motion passed unanimously.

- D. Facility Based Crisis (FBC) Services Update**

Mrs. Whitt gave an update on the progress of the renovation plans of the Facility Based Crisis facility.

Mrs. Whitt discussed the handicap site accessibility and concerns. The Asheboro Building Inspector has approved the site as is and indicated that site modification is not a requirement per local code; however, following review of the site and discussions between the Architect and the Sandhills Center Building Oversight Committee, there was recommendation to rework the handicap parking spaces, access aisles, path of travel to entry doors and the landing at the entry doors. The Building Committee has directed the Architect to add the Site Accessibility Design addendum, at an additional cost of \$10,000, to the current agreement that was approved at the May Board meeting.

Mrs. Whitt stated that Daymark has agreed to take the lead with the furniture design. There will be no additional expense from the Architect for this service.

E. New Office Building Update

Mrs. Whitt gave a construction update on the new office building noting that the project is progressing on schedule and is within budget. The delivery and installation of the furniture and partitions is in progress, along with landscaping and irrigation.

Mrs. Whitt reviewed the contingency fund summary. Signage, additional elevator parts, additional paving, and the staff security system are additional projects not included in the costs listed. The most costly areas of the contingency fund were the issues with the septic and sprinkler systems.

F. Legislative/DHHS Updates

NC House and Senate Proposed Budgets – both budgets continue cuts to Single Stream funding for SFY 18 and SFY 19. Mrs. Whitt noted that this will be the third year that the State has cut Single Stream funding; however, LME/MCOs are required to continue providing the same level of services by using fund balance. Over the past two years, the behavioral health system has lost \$262 M in funding.

In addition to reviewing the Single Stream Funding Reductions, Mrs. Whitt reviewed the Intergovernmental Transfers which is required from LME/MCOs to transfer to DMA the CMS requirement of adding 2% to the Medicaid Risk Reserve; the DMA Management Flexibility Reduction which may impact LME/MCOs with regard to PMPM allocations; the additional funds of \$3 M in nonrecurring funds to Good Hope Hospital for psychiatric inpatient beds; the changes of DHHS's role in monitoring the financial solvency of LME/MCOs; and the LME/MCO fund balance designation and reinvestment.

1115 Medicaid Waiver and Special Needs Plan (SNP) – Mrs. Whitt gave an overview of the May 23rd LME/MCO CEO meeting with DHHS Secretary Cohen to discuss more of her thoughts on the Special Needs Plan. There are concerns and confusion of the Plan.

State Auditor's Report on Cardinal Innovations – Two areas noted in the audit was the Cardinal Innovations CEO salary issue and the use of fund balance to hire consultants.

NC Disability Rights Complaint Against DHHS – Mrs. Whitt called attention to the NC Disability Rights lawsuit against DHHS on behalf of consumers with I/DD.

• **Clinical Services & Operations Report – Anthony Ward, Chief Operating Officer/Deputy Director**

Mr. Ward reviewed the following:

1. Medicaid Waiver Operations Report – May 2017, noting that all benchmarks continue to be met.
2. Medicaid Waiver Financial Operations Report – May 2017, noting the financial measures that Sandhills is required to meet.

• **Corporate Compliance – Evelyn Savage, Chief Legal Officer/Corporate Compliance Officer**

Ms. Savage reviewed the Corporate Compliance and Audit Plan, noting that with CMS's new requirements (Mega Rules) there have been changes to the Plan. Ms. Savage noted that the changes call to establish and implement a system with dedicated staff for external and internal monitoring.

The Internal Audit Charter is a change for 2017-2018. Ms. Savage reviewed the scope of work, the responsibilities, and detailed the requirements of the Charter. A list of Board members who have agreed to serve on the Corporate Compliance and Internal Audit Committee were presented for recommendation.

The FY 17 – 18 Corporate Compliance Plan – *A motion was made by Gart Evans and seconded by Carol Whitaker to "approve the FY 17 – 18 Corporate Compliance Plan". The motion passed unanimously.*

Board of Directors/Senior Management Corporate Compliance and Internal Audit Committee – *A motion was made by Mazie Fleetwood and Commissioner David Allen to "accept the recommendation of Board members as presented." The motion passed unanimously.*

Internal Audit Charter – A motion was made by Michele Weatherly and Commissioner Joe Miller to “approve the Internal Audit Charter.” The motion passed unanimously.

- **July Board of Directors Meeting** – Board members agreed to not meet in July.

Committee Reports

- **Finance Committee Report** – Finance Committee Chairperson Gart Evans reported the Finance Committee met prior to tonight’s Board of Directors meeting and reviewed the Finance Report in detail. Chairperson Evans 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 April 30, 2017.

Also noted in the Finance Report:

- Funding allocated for Guilford County Specialty Courts to provide additional Drug Testing kits, offered through the University of North Carolina at Greensboro.
- Funding allocated for opioid treatment was distributed among four providers – Addiction Recovery Care Association, Alcohol & Drug Services of Guilford, Daymark Recovery Services, and Moses H. Come Memorial Hospital Operating Corporation. This funding is to be used solely for individuals meeting the ASOUD State Benefit Plan criteria.

On behalf of the Finance Committee, a motion was made by Chairperson Gart Evans and seconded by Commissioner David Allen to “approve the Finance Committee Report as presented”. The motion passed. Commissioner Joe Miller abstained from participating and voting.

- **Program Planning and Operations Committee Report** – As reported by Evelyn Savage.
- **Client Rights Committee Report** – Did not meet.
- **Consumer and Family Advisory Committee** – Consumer and Family Advisory Committee Chairperson Leann Henkel gave the report.
- **Personnel Committee Report** – Personnel Committee Chairperson Mazie Fleetwood noted that the Personnel Committee reviewed the following:
 - **FY 17 – 18 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 2017-2018 Salary Schedule. *On behalf of the Personnel Committee, a motion was made by Chairperson Fleetwood and seconded by Michele Weatherly to “approve the FY 17 – 18 Pay Plan”. The motion passed unanimously.*
 - **Adjustment to LGERS and Prudential 401(k) Employer Contribution Rates** – Effective 07/01/17, all participating employer contribution rates to the State Retirement System will increase to 7.50%, the contribution rate for Prudential 401(k) will be 1.62%; keeping with Sandhills Center’s commitment to contribute a total of 9.12%. *On behalf of the Personnel Committee, a motion was made by Chairperson Fleetwood and seconded by Commissioner David Allen to “approve the adjustment of employer contribution to LGERS and Prudential 401(k) plans”. The motion passed unanimously.*
 - **2018 Holiday Schedule** – *On behalf of the Personnel Committee, a motion was made by Chairperson Fleetwood and seconded by Gart Evans to “approve the 2018 Holiday Schedule”. The motion passed unanimously.*
 - **Request of LME/MCO CEO Salaries** – As a result of the recent Cardinal Innovations audit, the Office of State Personnel have requested CEO salaries and the bases on what increases were given. Human Resources Director Leonard Covington is working on the response.

Closed Session

A motion was made by Mazie Fleetwood and seconded by Michele Weatherly that “the Board of Directors go into closed session pursuant to N.C. General Statute § 143-318.11(a)(1) and (a)(6) for the purpose of discussing a personnel matter and confidential information covered under N.C. General Statute § 122C-126.1”. The motion passed unanimously. The Closed Session began at 8:25 p.m.

Sandhills Center staff in attendance included Chief Executive Officer Victoria Whitt, Chief Operating Officer/Deputy Director Anthony Ward, Chief Legal Officer/Corporate Compliance Officer Evelyn Savage, Human Resources Director Leonard Covington, and Clerk to the Board/Administrative Assistant Sherry Bynum.

A motion was made by Commissioner David Allen and seconded by Leann Henkel to “come out of Closed Session”. The motion passed unanimously. Closed Session ended at 9:15 p.m.

Old Business

None

Comments

None

Board Materials

- Community Agencies Breakfast Meetings Agenda
- DMA Monthly Financial Report – April 2017
- Personnel Report
- Newspaper Articles
- State Audit on Cardinal Innovations
- NC Disability Right's Complaint Against NC DHHS (Individuals with I/DD Disorders)

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 9:21 p.m.



Commissioner Thad Ussery
Chairperson, Board of Directors

8-8-17

Date

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

Submitted by: Sherry Bynum, Clerk to the Board of Directors/Administrative Assistant