

November 3, 2014

The Washington County Board of Commissioners met in a regular session on Monday, November 3, 2014 at 6:00 PM in the Strader Building Conference Room, 124 East Water Street, Plymouth, NC. Commissioners Johnson, Manning, Phelps, Sexton and Walker were present. Also present were County Manager Jerry W. Rhodes, Clerk to the Board Julie J. Bennett, County Attorney Curtis Potter and Finance Officer Frank Milazi.

At 4:30 pm, the Board attended a "Report to the People" presentation by Cooperative Extension in the Strader Building followed by dinner.

Chair Johnson called the meeting to order. Chair Johnson also thanked Cooperative Extension for dinner and the update. Commissioner Sexton gave the invocation. Commissioner Manning led the pledge of allegiance.

ADDITIONS/DELETIONS: None

CONSENT AGENDA: **Commissioner Phelps made a motion to approve the Consent Agenda.**

- a) Approval of Minutes

**Commissioner Sexton seconded, motion carried unanimously.**

PUBLIC FORUM: Allen Smith, Roper asked about the status of the hospital. Chair Johnson stated that Item 9 on the agenda (Hospital Update) will address that concern.

PUBLIC HEARING: FY 2016 COMMUNITY TRANSPORTATION PROGRAM GRANT APPLICATION:

**Commissioner Phelps made a motion to open the public hearing on the FY 2016 Community Transportation Program Grant Application. Commissioner Sexton seconded.**

Ms. Zina Rhodes, DSS, Transportation Director, spoke to the Board regarding the FY 2016 Community Transportation Program grant application. Washington County is eligible to apply for grant funding through the Federal Transit Administration's (FTA) Section 5311 Program (Community Transportation Program) due November 21, 2014. The first step in this process is a public hearing. The grant application includes \$88,914 in administrative funding.

The administrative funding supports direct and indirect costs associated with the administration of the transportation program. The application also includes \$72,830 in capital funding. Capital funds will be used to replace a center aisle van with another center aisle van. Currently the transit system has four lift-equipped light transit vehicles, three (12 passenger) center aisle vans and one mini-van.

Administrative funding requires a 15% local share and capital funding requires a 10% local share. The total local share for FY 2016 is \$18,487.

Commissioner Phelps asked what the administrative expense is for. Ms. Rhodes stated that it is for the bus drivers and administrative staff that handle the paperwork for Riverlight Transit and anyone that does work on Riverlight Transit. She also mentioned that the amount of the match has decreased this year.

Commissioner Manning asked how many drivers are there for Riverlight Transit. Ms. Rhodes said there are five (5) drivers and one (1) coordinator.

**Commissioner Sexton made a motion to close the public hearing on the FY 2016 Community Transportation Program grant application. Commissioner Phelps seconded, motion carried unanimously.**

**Commissioner Sexton made a motion to approve submitting the FY 2016 Community Transportation Program grant application. Commissioner Phelps seconded, motion carried unanimously.**

RECOGNITION OF DSS STAFF: Ms. Lynn Swett, DSS Supervisor spoke to the Board on behalf of Ms. Rhonda Woolard, DSS Director) who could not attend tonight's meeting. Ms. Swett stated that awards were presented to the Washington County Child Support Services Office. Certificates of Achievement were received from the State Office of Child Support Services for the Most Improved County in the Intergovernmental Area of Self-Assessment for Fiscal Year 2014 for Tyrrell County and Meeting or Exceeding All Incentive Goals for State Fiscal Year 2014 for Hyde County. These services are provided by the Washington County Child Support Office, and the caseworker for those two counties is Leigh Anne Schreckengost. Ms. Swett thanked Ms. Schreckengost for her dedication and said that DSS would not have received these awards without her.

TAX FORECLOSURE AGREEMENT DISCUSSION: Mr. Rhodes stated that during the last Board of Commissioners meeting the Board requested to speak with someone from the company that the County was considering doing business with on tax foreclosure. Attorney Mark Bardill was present to discuss any questions or concerns regarding his services and the contract the Board may have. The contract provides for 50 accounts to be referred to foreclosure per month for 4 years beginning in 2015 and provides the County the option to periodically review the net benefit received from the contract and terminate early if a net benefit is not being received. The Tax Collector believes there are enough accounts to sustain this volume and doing so will be the most effective and efficient way of increasing revenues from prior years unpaid taxes. The County will retain the ability to use a written and uniform payment plan to avoid being referred to foreclosure but it will be up to tax payers to request participation in that plan. Once referred to foreclosure, the plan cannot be used in lieu of the foreclosure process.

Mr. Mark Bardill with Zacchaeus Law Firm spoke to the Board. He said his firm covers 18 counties—tax foreclosures are all his firm does. Mr. Bardill is the only lawyer in the firm and has eight (8) staff members. Mr. Bardill said his firm is highly efficient for counties that need this kind of service.

Mr. Bardill stated that the fees are paid by taxpayers (as a result of collecting taxes).

Commissioner Phelps stated that he has had calls from citizens regarding their properties to be foreclosed on. He would like more information on the process. Mr. Potter said that, by law,

taxpayers would receive multiple notices before Mr. Bardill gets involved. After that, there is still quite a bit of time before the taxpayer would lose their property. Everyone with any interest in the property would have to be served. Then there would have to be a status review (in court). Mr. Bardill said he is in court every other month. He also said that taxpayers still would have approximately 6 months before their rights are cut off.

Commissioner Sexton asked Mr. Bardill when does his fees start. Mr. Bardill stated that his fees do not start until the complaint is handed to the Clerk of Court with the fees attached.

Commissioner Phelps asked Mr. Potter what the impact is to the county finances. Mr. Potter stated that the contract would be reviewed after six (6) months and then every year. Mr. Potter also said that any taxpayer can come to the tax office to start a payment plan and that will keep that particular account from being referred into foreclosure if they actually keep up with the plan.

Mr. Potter stated that protection has been put in the contract. Ms. Wilkins said that the Tax Office backs going this route. Commissioner Phelps asked for the figure of delinquent taxes. Ms. Wilkins stated that she did not have it with her but would get it for him. Commissioner Phelps asked if the County will do some type of informational campaign on this. Ms. Wilkins said that the Tax Office will be putting information out to the public. Residents must come to the County Tax Office and enroll in the payment plan and follow it to avoid referral to foreclosure if they are delinquent.

A question was asked about having a two-year delinquent threshold before referral. Mr. Bardill mentioned that after some of the backlog is taken care of there might not be a need for a threshold, however, some folks wait to get to that threshold and don't pay their taxes.

**Commissioner Manning made a motion to accept the contract with Zacchaeus Law Firm for handling tax foreclosures. Commissioner Walker seconded. The Board said they would like Mr. Bardill to come back in May 2016 to give an update. Mr. Potter stated that the County will be reviewing Mr. Bardill's performance the first six months and then yearly after that. Motion carried unanimously.**

AGRICULTURE UPDATE: Ms. Rebecca Liverman, Cooperative Extension Director and Mr. CL Sumner, Agriculture Agent, spoke to the Board regarding the latest on agriculture in the County.

Mr. Sumner started off his presentation by telling Board that Washington County agriculture began the year very wet—it was a struggle to get crops in the ground. Then the County went through a dry spell, then more rain, then another dry spell.

Mr. Sumner also stated that commodity prices have fallen from what they were in the last couple of years and farmland prices are out of control. The new farm bill finally passed and there will be some big changes from what the County has historically known.

Chair Johnson asked when the 2014 data comes out. Mr. Sumner replied that the 2014 data is released in 2015.

Chair Johnson also asked Mr. Sumner if he goes out to do the soil sampling or do folks send in the samples. Mr. Sumner said he goes out to the farmer's property especially if a farmer has a problem. That way he can go over recommendations and make determinations of what needs to be done.

# Ag Update 2014

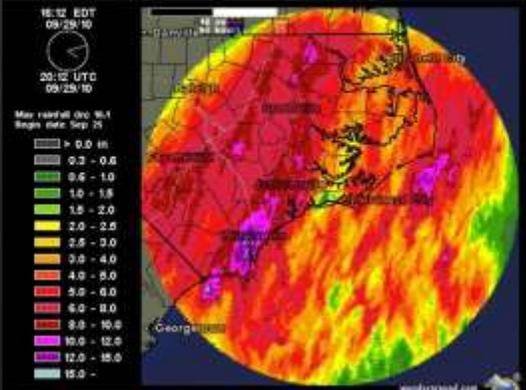
*State of Agriculture for Washington County*



The logo for NC Cooperative Extension, featuring the text "State University", "NC State University", "100", "COOPERATIVE EXTENSION", and the tagline "Empowering People · Providing Solutions".

# Out of their control

- Weather



The image shows a weather radar map of the Southeastern United States, including parts of Virginia, North Carolina, and Georgia. A color-coded legend on the left indicates rainfall intensity in inches. The map shows a large area of high rainfall (red and purple) over the region. A clock icon indicates the time as 16:32 EDT (09/29/10) and 20:32 UTC (09/29/10). The text "Max rainfall: 16.1" and "Begin date: Sep 29" is also present.

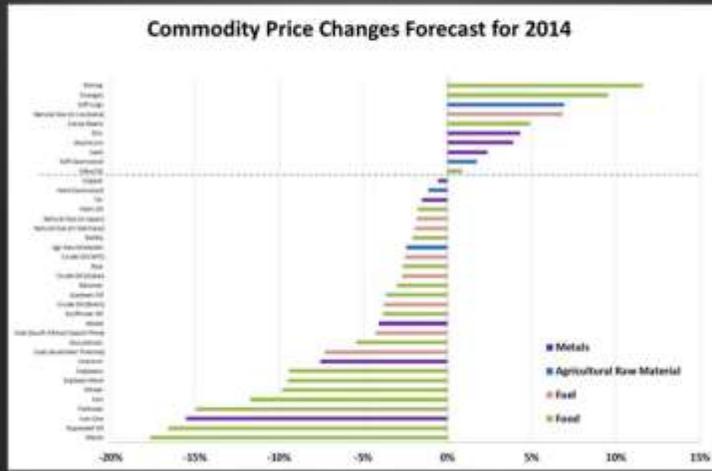
Rainfall Intensity (inches)
> 0.0 in
0.2 - 0.6
0.6 - 1.0
1.0 - 1.5
1.5 - 2.0
2.0 - 2.5
2.5 - 3.0
3.0 - 4.0
4.0 - 5.0
5.0 - 6.0
6.0 - 8.0
8.0 - 10.0
10.0 - 12.0
12.0 - 15.0
15.0 -



The logo for NC Cooperative Extension, featuring the text "State University", "NC State University", "100", "COOPERATIVE EXTENSION", and the tagline "Empowering People · Providing Solutions".

# Out of their control

-Commodity Prices

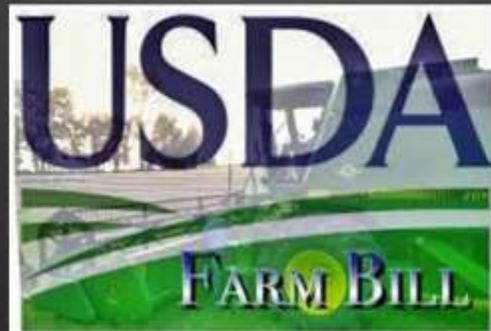


# Out of their control

-price of farmland



# Out of their control -New Farm Bill



## What makes us tick

Soybeans	38,965	12 <sup>th</sup> in NC
Corn (dry)	24,800	5 <sup>th</sup> in NC
Wheat	15,052	8 <sup>th</sup> in NC
Cotton	9,608	9 <sup>th</sup> in NC
Rapeseed	1,644	
Peanuts	1,093	
Clary Sage	790	
Flue Cured Tobacco	354	
Potatoes	269	
Crop Cash Receipts	\$82,719,000	17 <sup>th</sup> in NC

Source:  
NCDA 2013

Yellow – Above Average Yields

White – Average Yields

Red – Below Yields



# How can we help?

- Continue to be cutting edge in delivering UNBIASED, SCIENTIFIC BASED data to contribute to farm management to keep producers economically viable.

- Soil sampling
- Variety Selection
- Tillage Practices
- IPM Practices (Insect/Disease/Weeds)

Any Questions?



**SOLAR PERMIT FEES:** Ms. Keyes stated at the October 6, 2014 Board of Commissioners meeting, the Board was informed that SunEnergy1 is requesting that the current permit fee be reduced prior to purchasing its solar permit in order to save money. Under the County's current permit fee of \$.50, based on preliminary information about the projected solar farm, the estimated total permit fee is approximately \$29,000. Reducing the fee to \$.25 would result in a difference estimated at \$14,500. Generally speaking permit fees should be calculated to recoup the reasonable expenses associated with issuing and administering a particular kind of permit.

The Board of Commissioners made a motion to turn this issue over to the Planning Board to receive a recommendation from them.

The Planning Board met on Thursday, October 16, 2014 and discussed the SunEnergy1 request to review a reduction in solar permit fees.

After a lengthy discussion, and after the review of permit fees of surrounding counties (see below), it was unanimously approved by the Washington County Planning Board to recommend to the Washington County Board of Commissioners to uphold the existing solar permit fee schedule.

**Solar permit fees by county as of 10-6-14**

Beaufort County- .25 per panel

Bertie County- .35 per panel plus \$1000 electrical permit

Gates County- Proposing \$.45 per panel with a minimum \$1000 building and a minimum \$1000 electrical

Pitt County- .50 per panel plus \$200 plan review

Pasquotank County- first 500 panels \$5 each and over 500 panels are \$1 each

Craven County- For the first 200 panels \$5.00 per panel and for each additional panel over 200 it will be \$1.00 per panel. (\$500 Minimum)

Chowan County- No fee schedule in place for solar

Tyrrell County- No fee schedule in place for solar

Martin County- In the process of revising their fee schedule

Hyde County- No fee schedule in place for solar

Hertford County- No fee schedule in place for solar

Dare County- No fee schedule in place for solar

City of Tarboro- 1<sup>st</sup> \$50,000 is \$3 per \$1,000 and every \$1,000 after is \$2 per \$1,000

**As of now Washington County charges .50 per panel with a minimum fee of \$250 to include electrical**

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Commissioner Manning asked how many inspections have to be made on a solar farm. Ms. Keyes said the inspections are based on the number of panels. Eight inspections have already been done. Commissioner Phelps asked if anyone is in attendance at tonight's meeting from SunEnergy1. Commissioner Phelps wanted to ask them why they are seeking the reduction. Ms. Keyes responded that no one from SunEnergy1 is in attendance.

Commissioner Manning asked if these fees are to cover the County's costs or to make money. Ms. Keyes noted that for the first solar farm the County didn't have a fee policy in place and were only paid \$75.00. Ms. Keyes said her office tries to make Inspections self-supportive.

**Commissioner Sexton made a motion to accept the recommendation of the Planning Board to uphold the existing solar permit fee schedule. Commissioner Phelps seconded, motion carried unanimously.**

EMS UPDATE: Mr. John Flemming, EMS Director spoke to the Board. Mr. Flemming said that EMS is continuing to maintain the County's transports.

Chair Johnson asked about the numbers regarding 24/72 schedule. Mr. Flemming said he and staff are continuing to drill down on the cost. Commissioner Phelps asked if going to the 24/72 schedule will be cost neutral. Mr. Flemming replied that the 24/72 schedule will not be cost neutral.

Commissioner Manning asked Mr. Flemming if he plans to have an update in December. Mr. Flemming said that he does plan to have an update in December. Chair Johnson said the Board may hold a recessed meeting if the proposed 24/72 schedule numbers are available before the December meeting.

Mr. Flemming also discussed the movement of EMS Creswell base to the Creswell clinic. There have been sewer gases coming up in the floor of the EMS Creswell base building and it is unsafe for staff to work there. Mr. Potter said this is the number one issue that Maintenance is working on.

HOSPITAL UPDATE: Mr. Cameron Highsmith, Washington County Hospital (WCH) CEO and Mr. Al Arrowood, Vice President of Operations, RCHA/CAH, spoke to the Board. Mr. Highsmith told the Board that WCH had a cost initiative movement which resulted in a reduction in force. He also said this is a struggle in all rural communities. More hospitals have closed in the last 12-18 months. Mr. Highsmith said he has seen 25 hospitals close recently which is more than in the last 5 years nationally. Medicaid expansion has seen bad debts grow. WCH mingles cash of their 11 hospitals with the sister company CAH. Mr. Arrowood said WCH made \$408,000.

Mr. Arrowood said there are no plans to close the WCH. Mr. Arrowood presented the following information.

WASHINGTON COUNTY HOSPITAL  
CASH REVIEW

	1	A
Pull out Selling	0	A, B
Pull out Washington	0	A
Pull out Hillsboro	0	A
Pull out Fairfax	0	A
Pull out F-70	1	A
Include Medicare CR settlements	1	A
Include Known Spec Pymts	1	A
\$1,500,000 @ WCH	0	B
Adjust Cash Receipt Collections	0	B
Defer Shareholder's Pymts	1	B
Defer all Cure Pymts	1	B
Defer Mgmt Fees	1	C
Price Increase Impact	1	A
Cancel CPSI Contract	1	A
Facility Savings	1	A
Defer Paul and Steve's Payrol	0	B
ICHA Reductions	1	C

AP % Paydown 0%  
 RCHA Reductions 1,000,000  
 % of Patient Cash Collections 100%  
 % of Facility Savings 3.00%

DO NOTHING WITH WCH

	1st Quart	2nd Qtr	3rd Qtr	4th Qtr	FY15
Before - Cash Surplus/(Shortfall)	(2,424,996)	(2,333,652)	(2,226,633)	(2,226,633)	(9,211,905)
After - Cash Surplus/(Shortfall)	516,278	576,447	(258,823)	(425,420)	408,461
Before - Cumulative Cash Surplus/(Shortfall)	(9,328,534)	(10,662,197)	(12,888,820)	(15,115,443)	(15,115,443)
After - Cumulative Cash Surplus/(Shortfall)	(4,815,076)	(4,039,629)	(4,298,452)	(4,723,872)	(4,723,872)
Before - Days in AP	130	126	125	125	125
After - Days in AP	130	126	126	126	126
<b>Weekly Avg Cash Flow</b>					
Total Cash	1,751,051	1,772,846	1,703,468	1,703,468	1,732,708
Expenses	2,516,595	2,486,346	2,486,345	2,500,052	2,497,335
Debt Svc	137,058	163,690	160,920	161,096	354,941
AP Payup	54,374	54,715	54,715	54,715	54,629
EBPs	-	23,058	23,058	23,058	17,293
Currs	-	-	-	-	-
Net Cash Flow per week	129,070	144,132	(64,706)	(106,355)	8,510

WASHINGTON COUNTY HOSPITAL  
CASH REVIEW

	1	A
Pull out Selling	1	A,B
Pull out Washington	0	A
Pull out Hillsboro	0	A
Pull out Fairfax	1	A
Pull out 1-70	0	A
Include Medicare DR settlements	1	
Include Known Spec Pymts	1	
\$1,500,000 @ WCH	0	B
Adjust Cash Receipt Collections	0	
Defier Shareholder's Pymts	1	
Defier all Cure Pymts	1	
Defier Mgmt Fees	1	C
Price increase Impact	1	A
Cancel CPS Contract	1	
Facility Savings	1	
Delier Paul and Steve's Payroll	0	
BCMA Reductions	1	C

AP % Paydown 0%

BCMA Reductions 1,000,000

% of Patient Cash Collections 100%

% of Facility Savings 3.00%

**CLOSE WICH**

	1st Quart	2nd Qtr	3rd Qtr	4th Qtr	FY15
Before - Cash Surplus/(Shortfall)	(2,424,996)	(2,333,662)	(2,226,623)	(2,226,623)	(9,211,905)
After - Cash Surplus/(Shortfall)	808,855	686,945	(168,325)	(334,922)	<b>972,553</b>
Before - Cumulative Cash Surplus/(Shortfall)	(8,328,534)	(10,662,197)	(12,888,820)	(15,115,443)	(15,115,443)
After - Cumulative Cash Surplus/(Shortfall)	(4,323,499)	(3,656,554)	(3,820,879)	(4,359,801)	(4,359,801)
Before - Days in AP	130	126	125	125	125
After - Days in AP	130	126	126	126	126
<b>Weekly Avg Cash Flow</b>					
Total Cash	1,706,927	1,511,287	1,441,910	1,441,910	1,525,509
Expenses	1,454,711	1,234,231	1,234,231	1,247,937	1,792,777
Debt Svc	131,918	145,444	145,673	145,850	142,223
AP Payup	-	-	-	-	-
ERPs	53,473	54,715	54,715	54,715	54,406
Curis	(580)	21,319	21,319	21,319	15,844
Net Cash Flow per week	200,214	366,736	(42,081)	(83,790)	20,262

WASHINGTON COUNTY HOSPITAL  
CASH REVIEW

Pull out selling	1	A
Pull out Washington	0	A, B
Pull out Hillsboro	0	A
Pull out Fairfax	0	A
Pull out 170	0	A
Include Medicare CR settlements	1	1
Include Known Spec Pyms	1	1
\$1,500,000 @ WCH	1	B
Adjust Cash Receipt Collections	0	1
Defer Shareholder's Pyms	1	1
Defer all Cure Pyms	1	1
Defer Mgmt Fees	1	C
Price increase Impact	1	A
Cancel CPS Contract	1	1
Facility Savings	1	1
Defer Paul and Steve's Payroll	0	1
BCMA Reductions	1	C

AP % Paydown	0%
BCMA Reductions	1,000,000
% of Patient Cash Collections	100%
% of Facility Savings	3.00%

WCH WITH COST SAVINGS INITIATIVE OF \$1,500,000

	1st Quart	2nd Qtr	3rd Qtr	4th Qtr	FY15
Before - Cash Surplus/(Shortfall)	(2,424,996)	(2,333,662)	(2,226,623)	(2,226,623)	(9,211,905)
After - Cash Surplus/(Shortfall)	712,107	900,325	125,055	(138,791)	1,718,786
Before - Cumulative Cash Surplus/(Shortfall)	(8,328,334)	(10,662,197)	(12,888,820)	(15,115,443)	(15,115,443)
After - Cumulative Cash Surplus/(Shortfall)	(4,360,157)	(3,396,832)	(3,274,777)	(3,413,568)	(3,413,568)
Before - Days in AP	130	126	125	125	125
After - Days in AP	130	126	126	126	126

Weekly Avg Cash Flow	
Total Cash	1,751,061
Expenses	1,495,269
Debt Svc	137,058
AP Payup	54,374
EPS	23,058
Cures	23,058
Net Cash Flow per week	193,049

4th Qtr	3rd Qtr	2nd Qtr	1st Qtr
1,703,468	1,703,468	1,772,846	1,751,061
1,476,166	1,454,356	1,454,356	1,495,269
161,096	160,920	160,690	137,058
54,715	56,715	54,715	54,374
23,058	23,058	23,058	23,058
(34,688)	31,264	240,081	193,049

WASHINGTON COUNTY HOSPITAL  
 OPERATIONS REVIEW, OCT, 2014  
 COST SAVINGS SUMMARY

Revised: 10-9-14

RATE	HOURS	ANNUAL	BENEFITS	TOTAL
<b>LABOR COST SAVINGS:</b>				
91.35	2,080.00	190,008.00	39,901.68	229,909.68
33.66	2,080.00	70,012.80	14,702.69	84,715.49
25.59	2,080.00	53,227.20	11,177.71	64,404.91
19.93	2,080.00	41,454.40	8,705.42	50,159.82
33.72	2,080.00	70,137.60	14,728.90	84,866.50
16.73	2,080.00	34,798.40	7,307.66	42,106.06
13.52	2,080.00	28,121.60	5,905.54	34,027.14
10.99	2,080.00	22,859.20	4,800.43	27,659.63
10.75	1,040.00	11,180.00	2,347.80	13,527.80
13.00	208.00	2,704.00	216.32	2,920.32
28.69	2,080.00	59,675.20	12,531.79	72,206.99
30.60	2,080.00	63,648.00	13,366.08	77,014.08
1.50	4,380.00	6,570.00	525.60	7,095.60
	1,040.00	17,895.15	1,431.61	19,326.76
	1,040.00	12,143.55	971.48	13,115.03
8.98	1,872.00	16,810.56	3,530.22	20,340.78
9.03	1,872.00	16,904.16	3,549.87	20,454.03
9.02	1,248.00	11,256.96	900.56	12,157.52
8.67	2,080.00	18,033.60	3,787.06	21,820.66
10.56	2,080.00	21,964.80	4,612.61	26,577.41
10.31	2,080.00	21,444.80	4,503.41	25,948.21
7.70	2,080.00	16,016.00	3,363.36	19,379.36
15.00	2,080.00	31,200.00	6,552.00	37,752.00
8.67	2,080.00	18,033.60	3,787.06	21,820.66
26.58	2,080.00	55,286.40	11,610.14	66,896.54
27.03	2,080.00	56,222.40	11,806.70	68,029.10
17.45	2,080.00	36,296.00	7,622.16	43,918.16
28.26	2,080.00	58,780.80	12,343.97	71,124.77
9.44	2,080.00	19,635.20	4,123.39	23,758.59
11.93	2,080.00	24,814.40	5,211.02	30,025.42
11.34	2,080.00	23,587.20	4,953.31	28,540.51
17.52	2,080.00	36,441.60	7,652.74	44,094.34
23.52	2,080.00	48,921.60	10,273.54	59,195.14
18.00	1,040.00	18,720.00	1,497.60	20,217.60
9.36	2,080.00	19,468.80	4,088.45	23,557.25
10.50	2,080.00	(21,840.00)	(4,586.40)	(26,426.40)
15.00	1,940.00	(15,600.00)	(3,276.00)	(18,876.00)
	70,940.00	1,216,833.98	246,527.48	1,463,361.46
<b>NON-LABOR COST SAVINGS:</b>				39,443.32
				16,000.00
				16,000.00
				1,000.00
				800.00
				11,800.00
				88,494.00
				7,500.00
				(35,157.00)
				145,880.32
				1,609,241.78

DRAFT

WASHINGTON COUNTY HOSPITAL  
STATEMENT OF OPERATIONS  
9/30/2014

	YTD		
	Actual	Prior Year	Var
<b>Patient Revenue:</b>			
Inpatient Services	8,717,427	8,825,282	-1.2%
Outpatient Services	22,365,308	21,406,527	4.5%
Clinic Services	2,008,181	1,703,967	17.9%
<b>Total Patient Revenue</b>	<b>33,090,916</b>	<b>31,935,776</b>	<b>3.6%</b>
<b>Deductions From Revenue:</b>			
Medicare Contractual	10,924,462	10,987,651	-0.6%
Other Contractual Adjustments	7,885,281	7,507,052	5.0%
Provision for Bad Debts	2,596,672	2,543,320	2.1%
<b>BAD DEBT PERCENT</b>	<b>7.85%</b>	<b>7.96%</b>	
<b>Total Deductions From Revenue</b>	<b>21,406,415</b>	<b>21,038,023</b>	<b>1.8%</b>
<b>Net Patient Services Revenue</b>	<b>11,684,500</b>	<b>10,897,753</b>	<b>7.2%</b>
<b>Realization %</b>	<b>35.31%</b>	<b>34.12%</b>	
Other Revenue	64,546	161,545	-60.0%
<b>Total Operating Revenues</b>	<b>11,749,046</b>	<b>11,059,298</b>	<b>6.2%</b>
<b>Operating Expenses:</b>			
Salaries and Wages	5,262,933	5,387,326	-2.3%
Benefits	1,079,119	1,066,815	1.2%
Supplies	1,028,902	1,152,833	-10.8%
Medical Specialist Fees	954,184	1,087,388	-12.2%
Purchased Services	787,071	923,721	-14.8%
Management Fees	1,275,000	1,270,546	0.4%
Other Operating Expenses	1,088,579	1,229,498	-11.5%
<b>Total Operating Expenses</b>	<b>11,475,788</b>	<b>12,118,127</b>	<b>-5.3%</b>
<b>E.B.I.T.D.A.</b>	<b>273,258</b>	<b>(1,058,829)</b>	<b>-125.8%</b>
Depreciation and Amortization	(407,266)	(479,392)	-15.0%
Interest Expense	(364,043)	(266,661)	36.5%
Interest Income	833	345	141.5%
<b>Net Income Before Taxes</b>	<b>(497,219)</b>	<b>(1,804,537)</b>	<b>-72.4%</b>

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Mr. Arrowood said that WCH was overstaffed and that was another reason for the reduction in force. Commissioner Phelps said it didn't seem that way to him since he has been in the ER quite a bit lately with people and sees our EMS folks jumping in to help in the ER due to a lack of staff. Mr.

Arrowood said that's what EMS people in rural counties do. Mr. Flemming stepped in to say our EMS folks are not 'accredited' to do this and it would take 6 months for them to obtain accreditation.

Commissioner Manning asked why Mr. Arrowood waited 3 years to do an evaluation on WCH. Commissioner Manning said waiting 3 years to do an evaluation sounded like poor management to him.

Commissioner Phelps asked if Mr. Arrowood if RCHA/CAH has a plan for the future of WCH since the County has an aging population that needs a hospital. Mr. Arrowood commented that WCH revenue was about 35%. Chair Johnson said that with the RIF, WCH should be operating in the black. Commissioner Phelps asked how long the current RIF will sustain WCH's budget. Mr. Arrowood said WCH should be sustained for 2 or 3 years and when and if RCHA/CAH replaces the hospital, it should increase even more.

Allen Smith, EMS employee, said that with the reduction in staff, wait times at WCH ER have increased substantially. People aren't going to wait to be seen. They will leave to go to another hospital, so there has to be some evidence of decrease in revenue. Mr. Arrowood said he will measure that as they go through the next few months. Mr. Smith stated he is a taxpayer and an EMS employee and has seen first hand that there is not adequate staff at the WCH ER to have the standard of care needed. Mr. Smith also mentioned that there is no respiratory therapist on staff at WCH.

Mr. Highsmith said WCH does have a standard to compare to –Yadkin County and their hospital. Mr. Smith said Yadkin County is a totally different area so it would be unfair to compare it to Washington County.

Mr. Flemming said when there is just a PA in the hospital ER, the PA can't do everything. Mr. Arrowood asked Mr. Flemming to follow up with Mr. Highsmith on the needs of WCH in the ER. (Mr. Arrowood noted that it is up to the provider to make sure staff is able to do the job that needs to be done.)

Chair Johnson said at least the County can take one positive note from tonight's meeting and that is that the hospital is not going to close.

Commissioner Phelps asked what Mr. Arrowood could assure the County. Mr. Arrowood said if things remain in place (state/federal programs) with the current changes, the current hospital should be successful.

Commissioner Manning asked what the Commissioners can do to help WCH. Do legislative representatives need to be contacted?

Chair Johnson said the NCACC is trying to get the Medicaid expansion back. Mr. Arrowood said it's in the hands of the governor. Commissioner Phelps said that maybe Mr. Arrowood and Mr. Smith can get with Representatives Tine and Ingram-Smith to see what can be done.

Mr. Arrowood said currently 12 – 15% of revenues are Medicaid and would grow to 20-25% with Medicaid Expansion.

Commissioner Walker stated that WCH is a small area and if citizens aren't being serviced due to downsizing, then citizens will go elsewhere. Mr. Arrowood said WCH is not different from other rural hospitals.

TERMINATION OF WASHINGTON COUNTY MEDICAL CLINIC LEASE: Mr. Cameron Highsmith, CEO of WCH sent a letter to the Board asking to terminate its lease of the Creswell Clinic prior to its natural expiration on May 31<sup>st</sup>, 2016. The letter explained the financial hardships faced by the Hospital and the recent employee layoffs illustrate the reality of that hardship.

Commissioner Phelps asked Mr. Highsmith how much money WCH is losing. Mr. Highsmith said he didn't have the numbers. Commissioner Phelps wanted to know why Mr. Highsmith came to the meeting to ask the Commissioners to terminate the contract due to losing money but didn't bring numbers to say how much WCH is losing. Mr. Highsmith did not offer an explanation.

Commissioner Phelps told the Commissioners that Dr. Severa (the doctor who currently practices at the Creswell Clinic) asked to be conferenced in for this portion of the meeting since he was unable to attend in person so the Board could ask him questions). Dr. Severa stated that he started practicing in January 2014 at the Creswell Clinic as a part time practice and was there Mondays and Thursdays and Fridays until noon. He said he has a fair amount of patients there. He originally started out every other Friday from 8- noon. Sometimes he would work on Tuesdays. His specialty is general internal medicine for patients age 12 and above, however, he has seen quite a few kids in the 5 – 12 age range also. Dr. Severa said sometimes he would see 23 patients in 4-5 hours. He said he was quite busy when he is there. Commissioner Phelps told Dr. Severa that the hospital is asking the County to terminate the lease at the Creswell Clinic. Dr. Severa said if the lease is terminated then he can't continue to see patients there and feels there is a need in the area. Dr. Severa said he has been offered to come to Plymouth in one of the doctor's offices there if the lease is terminated, but he has not made a decision. He likes the Creswell Clinic because he sees the need there. Dr. Severa said an ideal situation would be to recruit someone to practice there. He is concerned about the patients that have been scheduled 3 months out. If the Creswell Clinic closes then those patients have to find another provided. Dr. Severa doesn't want patients to be abandoned.

Commissioner Sexton asked Dr. Severa if he is interested in renting the facility. Dr. Severa said it would be a daunting task for a single practitioner. It would be difficult for him to do with a full time hospital job. It would take 3 + months if he could do it. Commissioner Phelps asked if he knew of any other group would be interested in taking over the Creswell Clinic. Dr. Severa said the Creswell Clinic may have potential in the future, but would take time.

Chair Johnson asked Dr. Severa what kind of contract he is under with the Creswell Clinic and is it a conflict with the hospital he currently works out of. Dr. Severa stated he was paid for the time he was at the Creswell Clinic at an hourly rate. Dr. Severa said he would need to see if there is a 'compete clause' in it. Mr. Arrowood said he would work with him if Dr. Severa had such a clause on his contract in order to continue services at the Creswell Clinic.

Commissioner Phelps asked Mr. Highsmith has he done anything to promote the Creswell Clinic and make it sustainable. Mr. Highsmith said RCHA/CAH has not put a lot of money into marketing the Creswell Clinic.

Commissioner Phelps asked Mr. Potter how many years is the lease. Mr. Potter said it is a 5 year lease and if the County terminated it, the County would lose approximately \$47, 000.

Commissioner Phelps also asked Mr. Potter if most landlords let someone walk away from a lease. Mr. Potter stated that commercial leases are different, which usually means that the tenant would be responsible for the remainder of the lease.

Chair Johnson asked Mr. Potter if the County could ask for 90 days to see about finding someone else to lease the Creswell Clinic.

Mr. Lloyd Jones, Roper, asked what the problem is at the Creswell Clinic. Is it not prospering because there are no patients or because they can't keep a doctor there?

Ms. Michelle Phelps, Creswell, said it was over 6 months before she even knew the Creswell Clinic was there. Then when she did find it the hours were never consistent as to when the doctor was in.

Commissioner Phelps said that WCH can't tell the Commissioners how much money they are losing, the doctor still has patients at the Creswell Clinic and he is not prepared to vote to terminate the lease.

**Commissioner Phelps made a motion to revisit the possible early termination of the Creswell Clinic lease requested by WCH in 90 days while working to find a new tenant. Commissioner Sexton seconded.** Mr. Arrowood asked that Mr. Highsmith be in on the meetings to find a new tenant. Commissioner Manning said maybe the County could help with the marketing. Mr. Arrowood said working together would be the best thing. Commissioner Sexton stated maybe the County could work it where the County EMS could be housed at the Creswell Clinic also. Mr. Arrowood said it would be better if Dr. Severa could be at the Creswell Clinic two (2) days a week. Commissioner Phelps said he will take ownership of this and try to set up a meeting with the County Attorney, former Commissioner Jean Alexander and Mr. Highsmith. **Motion carried unanimously.**

VOTING DELEGATE DESIGNATION FOR LEGISLATIVE GOALS CONFERENCE:  
The NCACC's Legislative Goals Conference will be held January 15 – 16, 2015 in Moore County. Chair Johnson will be attending the meeting.

Each Board of County Commissioners is requested to designate a Commissioner or other official as a voting delegate for the 2015 Legislative Goals Conference.

**Commissioner Manning made a motion to appoint Chair Johnson as the voting delegate for Washington County at the 2015 Legislative Goals Conference. Commissioner Sexton seconded, motion carried unanimously.**

BOARD AND COMMITTEE APPOINTMENTS:

ABC Board

The Washington County ABC Board would like to re-appoint Mr. Ronnie Barnes as a board member. His current 3-year term expires November 30, 2014. Mr. Barnes has agreed to serve if re-appointed.

**Commissioner Sexton made a motion to approve the abovementioned appointment. Commissioner Phelps seconded, motion carried unanimously.**

FINANCE OFFICER'S REPORT: Mr. Milazi discussed the financial report. Commissioner Phelps asked why the EMS numbers are three months behind. Mr. Milazi stated it is because money has not been transferred to the County's accounts.

Commissioner Phelps asked Mr. Milazi if he anticipates a shortfall this year like last year in EMS. Mr. Milazi said estimates are estimates. Mr. Milazi stated that Departments should be at ~33% through October 31, 2014 and EMS is on target. If nothing happens unusual, EMS should do well.

OTHER ITEMS BY CHAIRPERSON, COMMISSIONERS, COUNTY MANAGER, CLERK OR ATTORNEY:

Mr. Potter told the Board that no bids were received on the Stotesberry's trailer in the first round. Mr. Potter will go back out for bid.

Mr. Potter also told the Board that the Waterworks Review Committee met last Wednesday. It was a good meeting and ground rules were set. The Board will be receiving the minutes of that meeting later this week.

Mr. Potter attended a kickoff meeting for the sewer project at the Commerce Building. Completion is scheduled at the end of next year/early spring 2016.

Commissioner Sexton asked about the item in the DSS report regarding guardianship of a patient. Mr. Potter said he will get more info and get it to the Commissioners.

Commissioner Manning stated he attended the JLUS meeting last week. They are trying to decide which group to go with to do the land use study. He heard presentations from two companies. Commissioner Manning said JLUS looks like it may end up being a good thing for our County depending on the end product.

Mr. Milazi stated he needs direction on how to go about the local match on grants since most of the time the match is not budgeted. Mr. Milazi also explained that the Finance Report was distributed tonight since the end of month was Friday and Finance closed the books on the month today. Mr. Milazi advised the Commissioners to call him if they have any questions on the budget numbers. Commissioner Phelps asked Mr. Milazi about budget amendments saying that the Board hasn't seen any yet this fiscal year. Mr. Milazi said there are no budget amendments yet.

Commissioner Manning asked for an update on the software situation with the Tax Department. Mr. Milazi said that Ms. Wilkins should answer that since she has been talking with Edmunds. Commissioner Manning asked if Mr. Milazi is satisfied with the progress. Mr. Milazi said yes. Mr. Potter stated he will be meeting with the Ms. Wilkins and will find out what progress is being made and have her e-mail any specific concerns to the Board directly.

Commissioner Phelps asked the Clerk to the Board, Ms. Bennett, why the Senior Center was not on tonight's agenda. Ms. Bennett replied that DSS was in the process of hiring a new

Director and it would be beneficial if that person could attend the meeting. Commissioner Phelps requested that the Senior Center discussion be put on the December agenda even if a new Director has not been hired.

Ms. Bennett mentioned to the Commissioners that she will be sending them e-mails with information on upcoming functions that they have been invited to during the holiday season. Ms. Bennett asked that the Commissioners RSVP to her as soon as they can with their responses.

**At 8:45 pm, with no further business to discuss, Commissioner Sexton made a motion to recess the meeting. Commissioner Phelps seconded, motion carried unanimously.**

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Chair

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Julie J. Bennett, CMC, NCCCC  
Clerk to the Board