

CONSENT AGENDA

Chairman Lankford entertained a motion to approve or amend the following items on the

Consent Agenda:

Minutes

- Minutes of December 1, 2010
- Minutes of December 6, 2010

Social Services - Budget Amendment #26

Finance Director Julia Edwards submitted Budget Amendment #26.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Social Services			
100.5480.000	Crisis Intervention	\$81,880.00	\$62,245.00	\$144,125.00
	Totals	\$81,880.00	\$62,245.00	\$144,125.00

This budget amendment is justified as follows:

To appropriate additional funding for Crisis Intervention which is 100% Federal Funding.

This will result in a net increase of \$62,245.00 in the expenditures and other financial use to the County’s annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
100.3301.202	Crisis Intervention	\$1,927,344.00	\$62,245.00	\$1,989,589.00
	Totals	\$1,927,344.00	\$62,245.00	\$1,989,589.00

Sheriff’s Department - Budget Amendment #27

Finance Director Julia Edwards submitted Budget Amendment #27.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Sheriff’s Department			
100.4310.260	Departmental Supplies	\$23,519.00	\$250.00	\$23,769.00
	Totals	\$23,519.00	\$250.00	\$23,769.00

This budget amendment is justified as follows:

To purchase candy for the King and Walnut Cove Parades.

This will result in a net increase of \$250.00 in the expenditures and other financial use to the County’s annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
100.3839.001	Calendar Fund(Miscellaneous)	\$6,393.00	\$250.00	\$6,643.00
	Totals	\$6,393.00	\$250.00	\$6,643.00

Social Services - Budget Amendment #28

Finance Director Julia Edwards submitted Budget Amendment #28.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Social Services			
100.5310.180	Professional Fees	\$91,263.00	\$60,169.00	\$151,432.00
	Totals	\$91,263.00	\$60,169.00	\$151,432.00

This budget amendment is justified as follows:

This Administrative Funding for Food and Nutrition is paid for through the US Department of Defense Appropriations Act 2010. Unspent funds from the State Fiscal Year ending June 30, 2010 will carry forward to State Fiscal Year 2010-11.

This will result in a net increase of \$60,169.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
100.3301.202	SS County – Federal	\$00.00	\$60,169.00	\$60,169.00
	Totals	\$00.00	\$60,169.00	\$60,169.00

Health Department - Budget Amendment #29

Finance Director Julia Edwards submitted Budget Amendment #29.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Health Department			
100.5100.260	Office Supplies	\$15,680.00	\$5,834.00	\$21,514.00
	Totals	\$15,680.00	\$5,834.00	\$21,514.00

This budget amendment is justified as follows:

The Health Department's WIC Breastfeeding Program was awarded a WIC Breastfeeding Mini Grant. These grant funds will be used to purchase education materials and incentives for breastfeeding mothers enrolled in the WIC Program.

This will result in a net increase of \$5,834.00 in the expenditures and other financial use to the County's annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
100.3301.226	Breastfeeding Promotional Grant	<u>\$31,500.00</u>	<u>\$5,834.00</u>	<u>\$37,334.00</u>
	Totals	\$31,500.00	\$5,834.00	\$37,334.00

Health Department - Budget Amendment #30

Finance Director Julia Edwards submitted Budget Amendment #30.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Health Department			
100.5100.180	Professional Services	\$128,292.00	\$4,000.00	\$132,292.00
100.5100.230	Medical Supplies	<u>\$100,000.00</u>	<u>\$7,432.00</u>	<u>\$107,432.00</u>
	Totals	\$228,292.00	\$11,432.00	\$239,724.00

This budget amendment is justified as follows:

The Health Department’s Women Health Program has received additional state funds which will be used to purchase various needed medical supplies, lab processing fees, and other professional services.

This will result in a net increase of \$11,432.00 in the expenditures and other financial use to the County’s annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
100.3301.247	Family Planning X	<u>\$110,352.00</u>	<u>\$11,432.00</u>	<u>\$121,784.00</u>
	Totals	\$110,352.00	\$11,432.00	\$121,784.00

Health Department - Budget Amendment #31

Finance Director Julia Edwards submitted Budget Amendment #31.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Health Department			
100.5100.230	Medical Supplies	<u>\$100,000.00</u>	<u>\$1,567.00</u>	<u>\$101,567.00</u>
	Totals	\$100,000.00	\$1,567.00	\$101,567.00

This budget amendment is justified as follows:

The Health Department’s Immunization Program has received additional state funds which will be used to purchase various needed medical supplies.

This will result in a net increase of \$1,567.00 in the expenditures and other financial use to the County’s annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
100.3301.239	Immunization AP Grant	\$14,616.00	\$1,567.00	\$16,183.00
	Totals	\$14,616.00	\$1,567.00	\$16,183.00

Health Department – Budget Amendment #32

Finance Director Julia Edwards submitted Budget Amendment #32.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Health Department			
100.5100.510	Equipment –Capital Outlay	\$00.00	\$127,344.00	\$127,344.00
	Totals	\$00.00	\$127,344.00	\$127,344.00

This budget amendment is justified as follows:

The Health Department has been awarded reimbursable grant funding from the Homeland Security Grant Program for the purchase of a Regional Mass Vaccination/Emergency Response Trailer. This trailer will enhance our Region’s mass vaccination and medical surge capabilities, allowing us to provide outreaching services to the citizens in our regional area. This proposal was reviewed and approved by the Stokes County Commissioners at a previous meeting.

This will result in a net increase of \$127,344.00 in the expenditures and other financial use to the County’s annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
100.3301.255	Bioterrorism	\$00.00	\$127,344.00	\$127,344.00
	Totals	\$00.00	\$127,344.00	\$127,344.00

Health Department - Budget Amendment #33

Finance Director Julia Edwards submitted Budget Amendment #33.

To amend the General Fund, the expenditures are to be changed as follows:

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
	Health Department			
100.5100.370	Advertising	\$950.00	\$981.00	\$1,931.00
100.5100.180	Professional Services	\$128,292.00	\$4,323.00	\$132,615.00
	Totals	\$129,242.00	\$5,304.00	\$134,546.00

This budget amendment is justified as follows:

To appropriate and transfer funds for the Health Department’s Diabetes Self Management Program. This funding comes from two small mini grants which were received to perform diabetic services.

This will result in a net increase of \$5,304.00 in the expenditures and other financial use to the County’s annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
100.3839.006	Health- Misc. Revenue	<u>\$40,000.00</u>	<u>\$5,304.00</u>	<u>\$45,304.00</u>
	Totals	\$40,000.00	\$5,304.00	\$45,304.00

Proposed State Public Building Capital Fund Application – NC Education Lottery

Finance Director Julia Edwards submitted an application received from the Stokes County School System to the Public School Building Capital Fund – North Carolina Education Lottery for \$890,000.00 to be used for debt services for Fiscal Year 2010-11. These funds were appropriated in the Fiscal Year 2010-11. Finance Director Edwards requested the Board approve the application.

Stokes Reynolds Memorial Hospital, Inc. – Revision to Confirmation Letter for Operating Losses

Commissioner Walker requested that the Revision to Confirmation Letter for Operating Losses at Stokes Reynolds Memorial be moved to the Discussion Agenda and if possible Attorney John Crill present for the discussion. The Board had no issues with moving the item to the Discussion Agenda for discussion with Attorney Crill.

Chairman Lankford directed the Board to place the item on the Discussion Agenda as Item J.

Commissioner Walker moved to approve the Consent Agenda as amended. Commissioner Jones seconded and the motion carried unanimously.

GENERAL GOVERNMENT – GOVERNING BODY – INFORMATION AGENDA

Update – Manager and Board of Commissioners

Chairman Lankford opened the floor for updates from the Board.

Commissioner Jones welcomed those in attendance.

Vice Chairman Inman noted that he would be attending a NCACC Board of Directors’ meeting on December 15th and would provide the Board information from the meeting at the Board’s next regular meeting on December 28th.

Commissioner Booth, Board of Health member, noted that the discussion regarding the preparation of sandwiches at Priddy’s Store was on the Agenda at their last meeting.

Commissioner Booth noted that after public comments were heard, the item was approved by the Board of Health to be taken off the Agenda. Commissioner Booth received general consensus from fellow members at the end of the meeting that this issue was closed.

GENERAL GOVERNMENT – GOVERNING BODY – DISCUSSION AGENDA

Proposed Code of Ethics

County Attorney Edward Powell submitted the following proposed Code of Ethics along with a proposed Resolution to adopt the Code of Ethics for the Board's consideration and discussion:

STOKES COUNTY CODE OF ETHICS FOR THE BOARD OF COMMISSIONERS

The stability and proper operation of democratic representative government depends upon the continuing consent of the governed, upon the public confidence in the integrity of the government and upon responsible exercise of the trust conferred by the people. Government decisions and policy must be made and implemented through proper channels and processes of the governmental structure. The purpose of this code is to establish guidelines for ethical standards of conduct for the Board of Commissioners. It should not be considered a substitute for the law or a Board of Commissioners member's best judgment.

Board of Commissioners members must be able to act in a manner to maintain their integrity and independence; yet must be responsive to the interests and needs of those they represent. Board of Commissioners members serve in an important advocacy capacity in meeting the needs of their citizens and should recognize the legitimacy of this role as well as the intrinsic importance of this function to the proper functioning of representative government. At the same time, Board of Commissioners members must, at times, act in an adjudicatory or administrative capacity and must, when doing so, act in a fair and impartial manner. Board of Commissioners members must know how to distinguish these roles and when each role is appropriate and they must act accordingly. Board of Commissioners members must be aware of their obligation to conform their behavior to standards of ethical conduct that warrant the trust of their constituents. Each Board of Commissioners member must find within his or her own conscience the touchstone on which to determine appropriate conduct.

I. A Board of Commissioners Member Shall Obey the Law

Board of Commissioners members shall support the Constitution of the United States, the Constitution of North Carolina and the laws enacted by the Congress of the United States and the General Assembly pursuant thereto. Members specifically acknowledge and agree to comply with the requirements of NCGS §14-234 entitled "Public officers or employees benefiting from public contracts; exceptions."

II. A Board of Commissioners Member Should Uphold the Integrity and Independence of His or Her Office

Board of Commissioners members should demonstrate the highest standards of personal integrity, truthfulness, honesty and fortitude in all their public activities in order to inspire public confidence and trust in County government. Board of Commissioners members should participate in establishing, maintaining, and enforcing, and should themselves observe, high standards of conduct so that the integrity and independence of their office may be preserved. The provisions of this Code should be construed and applied to further these objectives.

III. A Board of Commissioners Member Should Avoid Impropriety and the Appearance of Impropriety in All His or Her Activities

It is essential that county government attract those citizens best qualified and willing to serve. Board of Commissioners members have legitimate interests of a private nature: economic, professional and vocational. Board of Commissioners members should not be denied, and should not deny to other Board of Commissioners members or citizens, the opportunity to acquire, retain and pursue private interests, economic or otherwise, except when conflicts with their responsibility to the public cannot be avoided. Board of Commissioners members must exercise their best judgment to determine when this is the case.

Board of Commissioners members should respect and comply with the law and should conduct themselves at all times in a manner that promotes public confidence in the integrity of the office of Board of Commissioners.

Board of Commissioners members should not allow family, social, or other relationships to unduly influence their conduct or judgment and should not lend the prestige of the office of Board of Commissioners to advance the private interests of others; nor should they convey or permit others to convey the impression that they are in a special position to influence them. Board of Commissioners members shall not grant any special consideration, treatment or advantage to any citizen beyond that which is available to every other citizen.

If a Board member believes that his or her actions, while legal and ethical, may be misunderstood, the member should seek the advice of the Board's attorney and should consider publicly disclosing the facts of the situation and steps taken to resolve it.

IV. A Board of Commissioners Member Should Perform the Duties of the Office Diligently

Board of Commissioners members should, while performing the duties of the office as prescribed by law, give precedence to these duties over other activities. In the performance of these duties, the following standards should apply:

A. Legislative Responsibilities

1. Board of Commissioners members should actively pursue policy goals they believe to be in the best interests of their constituents within the parameters of orderly decision-making, rules of the Board of Commissioners and open government.
2. Board of Commissioners members should respect the legitimacy of the goals and interests of other Board of Commissioners members and should respect the rights of others to pursue goals and policies different from their own.

B. Adjudicative Responsibilities

1. Board of Commissioners members should be faithful to the general and local laws pertaining to the office and strive for professional competence in them. They should be unswayed by partisan interests, public clamor, or fear of criticism.
2. Board of Commissioners members should demand and contribute to the maintenance of order and decorum in proceedings before the Board of Commissioners.
3. Board of Commissioners members should be honest, patient, dignified and courteous to those with whom they deal in their official capacity, and should require similar conduct of their staff and others subject to their direction and control.
4. Board of Commissioners members should accord to every person who is legally interested in a proceeding before the Board full right to be heard according to law.
5. Board of Commissioners members should dispose promptly of the business of the County for which they are responsible.

C. Administrative Responsibilities

1. Board of Commissioners members should clearly distinguish legislative, adjudicatory and administrative responsibilities and should refrain from inappropriate interference in the impartial administration of County affairs by County employees. Board of Commissioners members should diligently discharge those administrative responsibilities that are appropriate, should maintain professional competence in the administration of these duties and should facilitate the diligent discharge of the administrative responsibilities of fellow Board of Commissioners members and other County officials.

2. Board of Commissioners members should conserve the resources of the County in their charge. They should employ County equipment, property, funds and personnel only in legally permissible pursuits and in a manner that exemplifies excellent stewardship.
3. Board of Commissioners members should require County employees subject to their direction and control to observe the standards of fidelity and diligence that apply to Board of Commissioners members as well as those appropriate for employees.
4. Board of Commissioners members who become aware of improper conduct by a County employee should promptly inform the County Manager, or, in the case of a County employee who reports directly to the Board, initiate appropriate disciplinary measures.
5. Board of Commissioners members should not employ or recommend the appointment of unnecessary employees and should exercise the power of employment only on the basis of merit, avoid favoritism and refrain from illegal discrimination and nepotism. They should not approve compensation of employees beyond the fair value of services rendered.

V. A Board of Commissioners Member Should Conduct the Affairs of the Board of Commissioners in an Open and Public Manner

Board of Commissioners members should be aware of the letter and intent of the State's Open Meetings Law, should conduct the affairs of the Board of Commissioners consistent with the letter and spirit of that law and consistent with the need to inspire and maintain public confidence in the integrity and fairness of County government and the office of Board of Commissioners. Consistent with this goal of preserving public trust and in compliance with the State's Open Meetings Law. Board of Commissioners members should be aware of the need for discretion in deliberations when the lack of discretion would pose a threat to the resources of the County, to the reputation of current or potential County employees, to orderly and responsible decision making, to the integrity of other governmental processes or to other legitimate interests of the County.

This Code of Ethics is adopted and effective this the _____ day of December, 2010 and shall apply to all Board of Commissioners members holding office on that date. Upon the effective date of this Code of Ethics, the previously adopted Code of Ethics of Stokes County is hereby repealed.

Ernest Lankford, Chairman

J. Leon Inman, Vice Chairman

James Booth, Commissioner

Ronda Jones, Commissioner

Jimmy Walker, Commissioner

ATTEST:

Darlene Bullins, Clerk to the Board

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
STOKES COUNTY
ADOPTING A CODE OF ETHICS
FOR THE BOARD OF COMMISSIONERS**

WHEREAS, Section 160A-86 of the North Carolina General Statutes requires local governing boards to adopt a Code of Ethics, and

WHEREAS, as public officials we are charged with upholding the trust of the citizens and residents of Stokes County, and with obeying the law, and

WHEREAS, as public officials of Stokes County, we believe our citizens and residents are entitled to the most open and ethical government possible under the law.

NOW THEREFORE, in recognition of our blessings and obligations as citizens of the State of North Carolina and as public officials representing the citizens and residents of Stokes County and acting pursuant to the requirements of Section 160A-86 of the North Carolina General Statutes, we the Stokes County Board of Commissioners, do hereby adopt the Code of Ethics, attached hereto as Exhibit A, to guide the Board in its lawful decision-making. The Board of Commissioners directs all advisory boards and committees, which currently serve, or which may in the future be created to serve, to respect and abide by this Code of Ethics in the performance of their lawful duties inasmuch as they may be applicable to the performance thereof.

Upon the effective date of this Code of Ethics, the previously adopted Code of Ethics of Stokes County is hereby repealed.

This Resolution duly adopted this _____ day of December, 2010.

Ernest Lankford - Chairman

J. Leon Inman - Vice Chairman

Jimmy Walker - Commissioner

Ronda Jones - Commissioner

James D. Booth – Commissioner

Attest:

Darlene M. Bullins – Clerk to the Board

Attorney Powell noted the following regarding the proposed Code of Ethics:

- Legislature in the past session passed a law requiring that all Board of Commissioners adopt a Code of Ethics no later than January 1, 2011
- General Statute 160A-86 –Local Governing Boards’ Code of Ethics requires the Code of Ethics to include the following:
 - (a) Governing boards of cities, counties, local board of education, unified governments, sanitary districts, and consolidated city-counties shall adopt a resolution or policy containing a code of ethics to guide actions by the governing board members in the performance of the member’s official duties as a member of that governing board
 - (b) The resolution or policy required by subsection (a) of this section shall address at least all of the following:
 - The need to obey all applicable laws regarding official actions taken as a board member
 - The need to uphold the integrity and independence of the board member’s office
 - The need to avoid impropriety in the exercise of the board members’ official duties
 - The need to faithfully perform the duties of the office
 - The need to conduct the affairs of the governing board in an open and public matter, including complying with all applicable laws governing open meetings and public records
- Proposed Code of Ethics has everything that the law requires
- Board has the option to add other items if desired
- Along with the Clerk to the Board, have reviewed several Code of Ethics from surrounding counties and cities, some are very detailed and some only included the minimum requirements

Chairman Lankford opened the floor for discussion.

Attorney Powell reminded Commissioner Jones, Commissioner Booth, and Chairman Lankford of the required ethics training for newly and re-elected commissioners.

Chairman Lankford noted that the County will be holding a webinar for those needing the required ethics training after the first of the year.

The Board discussed the proposed Code of Ethics with Attorney Powell.

Commissioner Walker discussed the following item:

- **Adjudicative Responsibilities – Item 1**
Board of Commissioners members should be faithful to the general and local laws pertaining to the office and strive for professional competence in them. They should be unswayed by partisan interests, public clamor, or fear of criticism.

Commissioner Walker questioned Attorney Powell how the Board would proceed if a complaint was made against a member of the Board that the Code of Ethics such as Item 1 under Adjudicative Responsibilities were not being followed.

Attorney Powell stated that if a citizen or another member of the Board has a complaint, they can certainly file the complaint with the County Manager or the Chairman of the Board of Commissioners. The Board can take appropriate action through their regular process as all other actions are taken as an Agenda item.

Commissioner Walker discussed the following item:

- **Adjudicative Responsibilities – Item #3**
Board of Commissioners members should be honest, patient, dignified and courteous to those with whom they deal in their official capacity, and should require similar conduct of their staff and others subject to their direction and control.

Commissioner Walker noted that he feels Item #3 under Adjudicative Responsibilities, which includes county staff, strengthens the Board’s philosophy of “user friendly”.

The Board had no issues with the proposed Code of Ethics submitted by Attorney Powell.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the December 28th Action Agenda.

Tax Administration Report – November 2010

Administrator Jake Oakley presented the following informational data for the November report:

Fiscal Year 2010-11	Budget Amt	Collected Amt	Over Budget	Under Budget
County Regular & Motor Vehicles	\$(20,744,514.00)	\$11,570,603.98		\$9,173,910.02

Prior Taxes 93-09 Tax Years

County Regular & Motor Vehicles	\$ 700,000.00	\$386,338.79	\$313,661.21
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EMS Collections

Total Collected (11-01-10/11-30-10)	\$11,465.67
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Total Collected (07-01-10/06-30-11)	\$58,745.31
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Delinquent accounts received from EMS (11-16-10) accounts = 312 accounts=\$156,690.69

Personal Property Discovery Report Audit Dates	# of Accts	Total Value	Taxes Due
11-01-10/11-30-10	66	\$526,778.00	\$4,504.97
07-01-10/06-30-11	338	\$4,036,237.00	\$34,537.81

Business Personal Property Discovery Report

Audit Dates	# of Accts	Total Value	Taxes Due
11-01-10/11-30-10	0	\$00.00	\$00.00
07-01-10/06-30-11	1	\$2,162.00	\$23.31

Motor Vehicle Release Report

Audit Dates	Accounts	Total Value
11-01-10/11-30-10	63	\$1,986.08

Motor Vehicle Refund Report

Audit Dates	Accounts	Total Value
11-01-10/11-30-10	6	\$89.42
Number billed for Nov. 2010	4918	

Garnishment Totals

Month	Total Accounts	Original Levy Amt	Collected Amt
11-01-10/11-30-10	175	\$36,285.19	\$29,895.97
F/Year 2010-11 (July 1 – June 30)	888	\$202,245.25	\$145,342.65

Interstate Collection Report (November 2010)	Collection	Total Collected
Cumulative total Collected (Nov. 2010)	NC Debt Setoff	\$28,936.00
Cumulative total Collected (to date)	Motor Vehicles	\$43,687.97
Cumulative total Collected (to date)	Property Taxes	\$11,410.73
Cumulative total Collected (to date)	EMS	<u>\$28,510.86</u>
Cumulative total Collected (to date)	All Categories	\$83,609.56

Tax Administrator Jake Oakley submitted the following Real and Personal Property Releases (November) which are less than \$100 for the Board’s review:

Releases (Real and Personal Property) Less than \$100–November 2010–Per NCGS 105-381 (b)

Name	Bill Number	Amount
Charles Flanary	10A155927574.09	\$28.09
Amy Dunning	10A155921205.09	\$18.03
Michael Calloway	10A24799.09.1	<u>\$4.21</u>
	Total Amount	\$50.33

Tax Administrator Jake Oakley presented the following Real and Personal Property Release (November 2010) which is more than \$100 for the Board’s consideration:

**Releases (Real and Personal Property)
More than \$100–November 2010–Per NCGS 105-381 (b)**

Name	Bill Number	Amount	
Joshua Johnson	10A155894324.09.1	<u>\$111.78</u>	Per NCGS105-312.k(Discovery)
	Total Amount	\$111.78	

Tax Administrator Jake Oakley presented the following Real and Personal Property Refund (November 2010) which is more than \$100 for the Board’s consideration:

**Releases (Real and Personal Property)
More than \$100–November 2010–Per NCGS 105-381 (b)**

Name	Bill Number	Amount	
Sandra Siegrist	10A597700637138	<u>\$218.12</u>	2 bldgs. were removed in 09
	Total Amount	\$218.78	

Tax Administrator Oakley noted that the percentage of collections to date were running about the same as last year at this time with the county ‘s largest taxpayer (Duke Power- approximately \$2 million, increased approximately \$300,000 from last year) normally not being received until the last day.

Commissioner Jones questioned Tax Administrator Oakley regarding the increase in value being placed on Duke Power by the State relating to the current economy and next year’s budget. Tax Administrator Oakley noted that he did not foresee any issues with the increased value, but to be on the cautious side, would probably recommend the County not include the estimated \$300,000.00 in the revenue projections for next year’s budget and instead use the 2009 values.

Commissioner Booth commended the Tax Administration on being “user friendly” and working with the citizens especially when a problem arises.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the following on the December 28th Consent Agenda:

- Real and Personal Releases more than \$100.00
- Real and Personal Refund more than \$100.00

Additional Home and Community Care Block Grant Funding

Senior Services Program Director Lynn Martens, representing the Stokes County Aging Planning Committee, presented the following information regarding additional Home and Community Care Block Grant Funding:

- \$4,582.00 additional Home and Community Care Block Grant has been allocated to Stokes County (Federal Funds)
- The Aging Planning Committee convened on November 8th to hear provider requests for the additional funding
- Three providers requested additional funding:
 - **Social Services** requested the entire amount = \$4,582 which would allow one client to come off the waiting list for In Home Aide

- **King Senior Center** requested \$300 to subsidize the Forsyth Tech. computer classes, a private donation was made at the meeting to cover their request
- **Walnut Cove Senior Center** requested \$1,000 for programming, Thanksgiving dinner, exercise classes, etc. (programming is essential in retaining the Center of Excellence which the Center currently has at the State level) (Additional funding is received from the State for Centers of Excellence)
- Stokes Aging Planning Committee respectfully recommends the following:
 - Walnut Cove Senior Center Operations - \$500 – Walnut Cove Senior Center
 - In Home Level II - \$4,082 – Social Services (In Home Aide)
- Additional funding for the Walnut Cove Senior Center requires no County funding – Center has budgeted funds to cover the 10% required match
- Additional funding for Social Services requires a 10% match, Social Services does not have budgeted funding to cover the 10% required match and requests allocation of \$272 from the County’s Contingency account

Chairman Lankford opened the floor for discussion.

The Board had no issues with the recommendations submitted from the Aging Planning Committee.

Commissioner Walker confirmed with Finance Director Edwards that the additional HCCBG funding is a usual occurrence associated with the HCCBG funding.

Chairman Lankford confirmed with Director Martens that the funding being allocated to Social Services will provide In Home Aide Services to one client who was on the waiting list and the additional funding for the Walnut Cove Senior Center will help to subsidize programming for the Walnut Cove Senior Center.

Budget Amendments

Finance Director Julia Edwards submitted the following two budget amendments that will need to be approved if the additional allocation is approved:

Social Services

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
Social Services				
100.5130.184	Professional Services	\$47,868.00	\$4,354.00	\$52,222.00
100.9910.000	Contingency	\$187,681.00	\$(272.00)	\$187,409.00
	Totals	\$235,549.00	\$4,082.00	\$239,631.00

This budget amendment is justified as follows:

The appropriate additional funding for HCCBG in the amount of \$4,082.00 for In Home Aide.

This will result in a net increase of \$4,082.00 in the expenditures and other financial use to the County’s annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
100.3301.373	NWPCOG – HCCBG	<u>\$42,918.00</u>	<u>\$4,082.00</u>	<u>\$47,000.00</u>
	Totals	42,918.00	\$4,082.00	\$47,000.00

Walnut Cove Senior Center

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
General Fund				
100.5830.696	Walnut Cove Senior Center	<u>\$48,095.00</u>	<u>\$92.00</u>	<u>\$48,187.00</u>
	Totals	\$48,095.00	\$92.00	\$48,187.00
Walnut Cove Senior Center				
204.5861.180	Professional Services	<u>\$20,000.00</u>	<u>\$92.00</u>	<u>\$20,092.00</u>
	Totals	\$20,000.00	\$92.00	\$20,092.00

This budget amendment is justified as follows:

To appropriate additional funding for operations and decrease appropriation for general purposes for the Walnut Cove Senior Center.

This will result in a net increase of \$184.00 in the expenditures and other financial use to the County’s annual budget. To provide the additional revenue for the above, the following revenues will increase. These revenues have already been received or are verified they will be received this fiscal year.

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
General Fund				
100.3301.376	NWPCOG-Senior Center General Purpose	\$12,653.00	\$(408.00)	\$12,245.00
100.3301.377	NWPCOG-Senior Center Operations	<u>\$28,102.00</u>	<u>\$500.00</u>	<u>\$28,602.00</u>
	Totals	\$40,755.00	\$92.00	\$40,847.00
Walnut Cove Senior Center				
204.3301.376	NWPCOG-Senior Center Operations	\$28,102.00	\$500.00	\$28,602.00
204.3301.377	NWPCOG-Senior Center General Purpose	<u>\$12,653.00</u>	<u>\$(408.00)</u>	<u>\$12,245.00</u>
	Totals	\$40,755.00	\$92.00	\$40,847.00

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the December 28th Action Agenda.

Proposed 2011 Board of Commissioners’ Calendar

Clerk Darlene Bullins presented the following proposed 2011 Board of Commissioners’ Calendar for the Board’s consideration:

2011 COMMISSIONERS’ MEETINGS SCHEDULE
The Stokes County Board of Commissioners will meet each month on the
2nd (Second) Monday at 1:30 pm and 4th (Fourth) Monday at 6:00pm

2nd MONDAY

January 10, 2011
February 14, 2011
March 14, 2011
April 11, 2011
May 9, 2011

4th MONDAY

January 24, 2011
February 28, 2011
March 28, 2011
April 26, 2011*
May 23, 2011

June 13, 2011
July 11, 2011
August 8, 2011
September 12, 2011
October 10, 2011
November 14, 2011
December 12, 2011

June 27, 2011
July 25, 2011
August 22, 2011
September 26, 2011
October 24, 2011
November 28, 2011
December 27, 2011**

*April 25th Meeting changed to Tuesday, April 26th (Due to Holiday)

**December 26th Meeting changed to Tuesday, December 27th (Due to Holiday)

***The Board of Commissioners will conduct its regular meetings in the Commissioners' Chambers at the Administrative Building in Danbury. The Board will consider invitations to meet at different locations throughout the County at the invitation of community groups that wish to host a meeting.**

Commissioners' Meeting (Planning)– First Tuesday of every other month 7:00 pm

Planning meetings are held as needed- the meeting will be advertised prior to the dates listed below:

Held in Commissioners' Chambers

February 1, 2011 (as needed)
April 5, 2011 (as needed)
June 7, 2011 (as needed)
August 2, 2011 (as needed)
October 4, 2011 (as needed)
December 6, 2011 (as needed)

Stokes County League of Governments – 6:30 pm

Meeting with Town of Danbury, Town of Walnut Cove, City of King and Stokes County

January 27, 2011 – Town of Walnut Cove

April 21, 2011 – Town of Danbury

July 21, 2011 – City of King

October 6, 2011 – Stokes County

Any other change in Date, Time, or Place will be advertised and placed on the County Web Page – www.co.stokes.nc.us

Darlene Bullins
Clerk to the Board

Chairman Lankford opened the floor for discussion.

The Board had no issues with the proposed calendar submitted by Clerk Bullins.

Vice Chairman Inman confirmed with Chairman Lankford that Goal Sessions would be planned after the first of the year and would be advertised separately.

Proposed Work Session for Financial Models for Debt Service

Clerk Darlene Bullins requested the Board review the following dates submitted by Finance Director Julia Edwards for a work session with the County's Financial Advisor Doug Carter to discuss the County's financial models:

- January 11, 2011
- January 12, 2011
- January 13, 2011
- January 19, 2011
- January 20, 2011

Clerk Bullins noted that the date could be addressed with the 2011 Calendar which would save advertising dollars.

The Board discussed possible dates for a work session with Mr. Carter.

The Board unanimously agreed to have Clerk Bullins advertise Thursday, January 13, 2011 at 2:00 pm for the work session with Mr. Carter in the conference room on the third floor.

Chairman Lankford noted that Mr. Carter had volunteered to do the work session free of charge.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the December 28th Action Agenda.

Proposed Vehicle Purchases – Fiscal Year 2010-11

Support Services Supervisor Danny Stovall submitted the following information regarding Fiscal 2010/11 Vehicle Purchases:

- **Funding Sources:** Lease Purchase Agreement and Sewer Fund Budget
- **Social Services**
 - Budget = \$130,500.00
 - Cost for vehicles = \$123,985.00
 - Capital Ford, Raleigh, NC - (7) 2011 Ford Fusion (\$14,691.00 each)
 - Ilderton Dodge, High Point, NC – (1) 2011 Caravan (\$21,148.00)
 - 2010-11 allocated funding for (9) Fusions – only enough funding to purchase (8) vehicles
 - Confirmed with DSS Director the need to purchase a van instead of one additional Fusion. The van currently in the DSS fleet has over 180,000 miles
 - 43% County Funding for vehicle purchases
- **Water and Sewer Fund**
 - Budget = \$25,612.00
 - Cost for truck = \$23,432.80
 - Capital Ford, Raleigh, NC – (1) 2011 F250 4x4 Truck (jump cab, gas engine) – (\$23,432.80)
- **Sheriff's Department**
 - Budget = \$200,000.00
 - Cost for vehicles = \$168,949.00
 - Capital Ford, Raleigh, NC – (7) 2011 Crown Vic (\$20,707.00 each)
 - Capital Ford, Raleigh, NC – (1) 2011 Explorer 4x4 (\$24,000.00) – to be used by Sheriff Marshall
 - Additional equipment such as computer mounts, light bars, push bars, radios, sirens, cages, etc. will be purchased from other sources
- **EMS**
 - Budget = \$50,000.00
 - Cost for vehicle = \$29,643.40
 - Capital Ford, Raleigh, NC- (1) 2011 F250 (cab/chassis, 4x4 jump cab, diesel engine, 8 ft. bed, 10,000 GVW) = \$29,643.40)
 - Bariatric stretcher will be housed in the body of the vehicle instead of being the EMS office in Danbury
 - Unsure about the gas mileage, probably about the same as the 350 chassis of the Excursion currently being used by the EMS Shift Supervisor
 - Additional equipment such as utility bed, light bar, radio, siren, etc. will be purchased from other sources
- Quote prices does not include 3% vehicle tax and \$6 permanent tag fee for each vehicle
- Any unused funding from Social Services, Sheriff's Department, and EMS will fall back into the County's Fund Balance
- Any unused funding from Water and Sewer will fall back into the Water and Sewer Fund Balance

Support Services Supervisor Stovall informed the Board that he was working with Vehicle Maintenance Supervisor Mabe for an auction in early spring of 2011.

The Board discussed the vehicle purchases with Support Services Supervisor Stovall.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the December 28th Action Agenda.

Home Health Relocation – Further Discussion

Chairman Lankford presented the following information from former Manager Bryan Steen:

- In response to the Board's request, I had Del Hall research cost associated with moving 911 Communications out of the current location, see attached memo from Del. It appears the initial minimal cost would exceed \$50,000.00 to make the move. Del has not been able to verify cost for relocation of cabling, reconnection of the generator, UPS and recorder as well as any interior construction cost for materials and labor.
- With this in mind, I renew my original recommendation to approve Option "B" that I submitted to the Board for consideration during the 11-22-2010 Board Meeting:
- **Option B,**
Move the Preparedness Planner, two Health Department Community Care employees and a DSS Community Care employee to the modular building and provide storage space for the Preparedness Planner, Baby Love, Health Department and DSS.
- Move Home Health Supplies, Dead & Live Files to current Home Health Conf. Rm. and move, if needed, non-essential items to the current copier, fax, supply room or the modular building.
- Shift two Home Health nurses to the current Community Care office.
- *Preparedness Planner & Supplies could be moved to former Enviro. Health Office.
- **County would be responsible for cost related to long distant phone calls, fax line, DSL connection and electric service for HVAC, equipment and lights. Hospital will add this to their current phone system.
- ***I believe all repairs, modifications and operation of the modular building through June 30, 2011 can be accomplished with the funds originally set aside for repair of the Day Care Building.
- No Home Health personnel leave the DSS Building, see Option "B" diagram.

Modular Building

- In his memo, the Health Director asked for additional investigation into moving the modular building to the Stokes County Government Campus. I presented the information below on 11-08-2010 and nothing has changed.
- The building can be moved to our campus, but there will be costs: tear down/transport approximately \$12,000.00/set up fee, Town of Danbury zoning compliance permit application (\$35.00), site preparation cost and cost for water and sewer line extensions that can't be calculated until a location is established. Parking lot and ADA building accessibility cost, to include handicapped parking, may also be incurred depending on the topography of the site selected.

Chairman Lankford opened the floor for discussion.

Commissioner Booth noted the following:

- Endorses Option “B”
- Doesn’t see a problem with the gravel drive at the modular unit at the hospital (less than 75 yards)
- Building needs a little facial work on the outside
- Very costly to move Communications to the lower lobby of the Government Center, need to save E911 funding for the required E911 upgrade estimated at \$1.3 million dollars
- Option ‘B’ would be the least cost to the taxpayers

Commissioner Jones noted the following:

- Want to try to keep DSS employees in one building
- Modular unit is doable
- Need to look at moving E911 in the future
- Endorses Option “B”

Commissioner Booth, Board of Health member, also noted that at their last meeting, the Board of Health formed a committee of the Director and two Health Board members to represent the Board of Health regarding this issue. Commissioner Walker, who was also in attendance for the Board of Health meeting, suggested the Board of Health designate the director to negotiate on behalf of the Board of Health in order to get this issue resolved.

Commissioner Walker confirmed with DSS Director Preston her endorsement for Option “B” and feels that this option to be a workable plan.

Chairman Lankford stated that he thought Option “B” would work for both the Health Department and Social Services.

Chairman Lankford noted that even though the E911 Communications’ move was an option for this issue, the Board could consider the E911 move at later date.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the December 28th Action Agenda.

Legislative Goals Conference – Voting Delegate

Chairman Lankford presented the following information regarding the upcoming Legislative Goals Conference:

- 2011 Legislative Goals Conference will be held at the Sheraton Imperial Hotel and Convention Center (Durham County)
- Thursday-Friday, January 20-21, 2011
- Pre registration rate of \$99 must be paid by Friday, January 7th
- Board must approve a voting delegate by Friday, January 7th

Vice Chairman Inman noted that he would be definitely attending the Legislative Goals Conference and would be happy to be designated as the Voting Delegate.

Commissioners Walker, Jones, and Booth indicated interest in attending the conference.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the December 28th Action Agenda.

Personnel Policies Handbook – Proposed Revision

Personnel Officer Darlene Bullins presented the following proposed “Medical Leave Without Pay” policy for consideration by the Board:

- An employee may be granted a leave of absence from work due to an approved leave as allowed under the Family Medical Leave Act without pay for up to (6) six months after the latter of 12 approved weeks of family medical leave or the exhaustion of earned accumulated leave time.
- The employee must provide the County with sufficient medical information regarding the need for the extended leave. Medical Leave without pay must be approved by the County Manager. Employee will be granted medical leave without pay in two months increments, not to exceed six months.
- An employee on approved medical leave without pay shall not accrue vacation, sick, or holiday leave and will be responsible of timely paying the employee portion of any insurance premiums. Failure to pay premiums within 30 days of the due date will result in termination of insurance coverage.
- Failure to return to work at the end of the granted leave will be considered a voluntary resignation.

Chairman Lankford opened the floor for any further discussion.

The Board had no issues with the proposed Medical Leave Without Pay.

Chairman Lankford expressed concerns the following underlined wordage being added to the following paragraph:

- Department Heads or the County Manager may require a physician’s certificate as to the nature of an employee’s illness and as to his/her physical capacity to resume duties for each occasion on which he/she uses sick leave. Failure to produce a physician’s certificate as requested shall be considered just cause for disciplinary action. At the expiration of an authorized sick leave, the Department Head upon approval of the County Manager may require a physician of their choice to provide a physical and/or mental examination at the County’s expense to determine fitness for duty.

The Board discussed the wordage regarding the County requiring an additional physician note to determine fitness for duty. Personnel Officer Bullins noted that this would not apply to all employees returning from medical leave, but would give the County an option if needed.

Personnel Officer Bullins noted that there were no issues with deleting the wordage.

The Board unanimously agreed to delete the following suggestion submitted by the Personnel Committee:

- At the expiration of an authorized sick leave, the Department Head upon approval of the County Manager may require a physician of their choice to provide a physical and/or mental examination at the County’s expense to determine fitness for duty.

Commissioner Walker expressed the following concerns:

- Approving the personnel policy reinstates the current longevity salary plan
- Have heard concerns from employees that the County policy has no merit provisions and no provisions for rewarding an employee who is doing an exceptional job

- Under the current plan, the employee who barely is meeting the requirements to maintain his job gets the same longevity as the employee who is giving 110+
- Concerns have also been expressed that newly hired employees with experience can be hired above the employee who is already here and trained

Commissioner Walker confirmed with County Attorney Powell that he had reviewed the proposed personnel changes and had no issues with the suggested changes.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the December 28th Action Agenda.

Job Vacancies

Chairman Lankford presented the following job vacancies for the Board to consider:

- Solid Waste Department – Landfill Supervisor (vacant: November 30th)
- Social Services (Income Maintenance Caseworker II (vacant: December 12th))

Chairman Lankford opened the floor for discussion.

The Board had no issues with the job vacancies.

Chairman Lankford, with full consensus of the Board, directed the Clerk to place the item on the December 28th Action Agenda.

Stokes Reynolds Memorial Hospital, Inc. Revision to Confirmation Letter for Operating Losses

Chairman Lankford presented the following proposed confirmation letter for operating losses for Stokes Reynolds Memorial Hospital: (item moved from the Consent Agenda)

Board of Trustees
C/O CEO Pamela P. Tillman
PO Box 10
Danbury, NC 27016

Board of Trustees:

The local government of Stokes County, North Carolina is committed to funding the continuing operations and debt obligations of Stokes-Reynolds Memorial Hospital, Inc. for the period of July 1, 2010 thru June 30, 2011 and has agreed to make advances for operating, debt repayment and capital purposes.

Advances must be requested by the Hospital and will only be provided based on cash flow needs of the Hospital.

Best regards,

Ernest Lankford
Chairman of the Stokes County Board of Commissioners

Chairman Lankford opened the floor for discussion.

Chairman Lankford noted that Special Legal Counsel John Crill was in attendance for this item on the Agenda.

Chairman Lankford noted that the auditing firm doing the Stokes Reynolds Memorial audit is requesting that “debt obligations” and “debt repayment” be added to the letter approved by the
December 13, 2010

Board on October 11, 2010. Chairman Lankford noted that without this wording, an exception letter would have to be included in the audit which could affect the hospital's RFP process.

Commissioner Walker expressed concerns with signing the confirmation letter which included wording "debt obligations" and "debt repayment" that could eventually be the county's responsibility when and if the hospital is sold.

Attorney Crill discussed the following with the Board:

- The debt (\$1.4 million dollars to Baptist Hospital) would have to be paid one way or the other (a monthly repayment plan has been agreed by both Baptist Hospital and Stokes Reynolds Memorial Board of Trustees)
- Most purchasers would not assume the debt, most purchasers would want to buy the assets clear
- The money generated from the sale of the hospital in part would go to pay off the debt
- One unanswered question - Will there be enough money from the sale of the hospital to repay the debt? This will not be known until the RFP process is completed.
- Not sure there is a choice to sign or not sign the confirmation letter, the hospital is owned by the County
- Best outcome, proceed with the RFP, if the hospital is sold, pay the debt and any remaining funds be put back into the County's Fund Balance to repay the county for the funding already allocated on behalf of the hospital
- County does not have to sell if the offers are not acceptable
- Not sure if this is a good time to put out the RFP, must go through the process in order to see
- Can see issues arising if the letter is not approved

Commissioner Walker requested the item be placed on the December 28th Action Agenda.

Chairman Lankford, with full consensus of the Board, requested CEO Pam Tillman to speak to the Board.

CEO Pam Tillman noted the following:

- Timing is very critical
- Hospital audit can't be completed until an answer is received from the Board of Commissioners as to whether they will approve and sign the letter
- If the letter is not included in the hospital's audit, a letter stating an ongoing concern would have to be placed in the audit which might not look favorable to potential buyers
- This unfavorable concern will also have to be addressed with the Local Government Commission
- Audit needs to be done in order to be available when RFPs are mailed out

Vice Chairman Inman reiterated the County now owns the hospital and without the letter, the hospital would mostly likely have an unqualified opinion. The proposed letter simply says that the Board of Commissioners is making a commitment to keeping the hospital open, this is not a guarantee.

Finance Director Julia Edwards noted the following:

- Been in several discussions with the hospital's auditor, Dixon & Hughes, along with the County's auditor, Martin & Starnes regarding this issue
- Martin & Starnes does not feel that the county's audit needs to be changed due to the note being signed by the hospital, not the county
- This has been a debate between the two auditing firms
- Putting this wordage regarding debt does obligate Stokes County per the county's auditor

Vice Chairman Inman reiterated the County owns the Hospital.

CEO Pam Tillman stated that in the Transfer Agreement signed by the County, Section Six states that the County is assuming the responsibility for the debt, but will be paid out of Stokes Reynolds Memorial Hospital account, Section Six basically obligates the County and Hospital.

Commissioner Walker confirmed with Attorney Crill that there were no issues with adding this wordage to the confirmation letter.

Attorney Crill reiterated that the purchaser expects to buy the assets free and clear and the county retain any liabilities. The purchaser would buy the assets including the (CONS), probably the equipment at somewhere around depreciation value, the receivables at a discounted amount, supplies, furnishing, and would not include real estate which would probably be leased from the county until a new hospital is built.

Attorney Crill noted the only way to see who is interested in the hospital is to go forward with the RFP. If the County is not satisfied with the proposals received, the County can always have an evaluation performed which is very expensive.

The Board discussed the Certificate of Needs (CONS) and the operating losses of the hospital with Attorney Crill.

Chairman Lankford entertained a motion to move the item to today's Action Agenda.

Vice Chairman Inman moved to transfer the item "Revision to Confirmation Letter for Operating Losses for Stokes Reynolds Memorial Hospital" to today's Action Agenda.

Commissioner Jones seconded the motion.

Commissioner Booth noted that the County currently owns the hospital and has already committed to cover the losses; therefore, approving the revision to the confirmation letter is just another step needed to proceed with the RFP process.

Commissioner Jones agreed with Vice Chairman Inman to move the item to today's Action Agenda in order to process with the RFP process.

The motion carried unanimously.

GENERAL GOVERNMENT – GOVERNING BODY – ACTION AGENDA

Chairman Lankford moved the order of the item on the Action Agenda due to Special Legal Counsel John Crill had not arrived for the discussion of the Stokes Reynolds Memorial Hospital – RFP. The Board unanimously agreed to wait for Attorney Crill to discuss the proposed letter for Stokes Reynolds Memorial Hospital – Operating Losses and Stokes Reynolds Memorial Hospital – RFP.

Engineering Services – Early College High School – Relocation of POD

Chairman Lankford opened the floor for further discussion regarding the engineering services for Early College High School.

Support Services Supervisor Danny Stovall noted the following additional information:

- Meter has been placed in front of the building in order to receive daily water readings
- Staff at the Early College location will start providing the County with body counts weekly
- These items are needed in order to request a reduction in flow on the system in order to increase the number of students the septic system is permitted for
- In regards to the current septic system, there can be no more than 69 students added to the location before permitting has to be approved by the State
- Currently, the septic system is permitted for 248 students
- Need to get a contract with Robbins Architecture in order to get the project started
- State permitting process for the new septic system may take up to 9 months
- Engineer Darian Creed suggests the County consider putting in the same size septic system as the current system with the hopes that sewer will be at the location in the future, a larger septic system is very costly
- Mr. Stovall also recommends installing the same size septic system as the current system

Commissioner Booth questioned if this additional POD will take care of the Early College students and those attending classes at Forsyth Tech. Chairman Lankford noted that the Early College at full capacity will only have 250 students.

Support Services Supervisor Stovall reiterated that funding was available.

Vice Chairman Inman confirmed with Finance Director Julia Edwards that funding is available and no funding will be taken out of Fund Balance or Contingency.

Commissioner Walker confirmed the following new debt for Nancy Reynolds and Early College:

- \$11.5 million dollars– Nancy Reynolds Project and Early College POD
- \$2.9 million dollars for land at Meadows and Nancy Reynolds

Chairman Lankford entertained a motion.

Commissioner Walker moved to approve \$71,550 for architectural and engineering services provided by Robbins Architecture for the relocation of the POD to the Meadows site.

Commissioner Jones seconded and the motion carried unanimously.

YVEDDI – Request for Payment of Services

Chairman Lankford opened the floor for further discussion regarding the request for payment of services from YVEDDI.

Finance Director Julia Edwards confirmed with representatives from NCDOT in Raleigh that these funds had been approved, but would not be mailed until December 31, 2010.

Commissioner Walker, who serves on the YVEDDI Board, states that he can see this either way since the Finance Director confirmed with NCDOT representatives that the funds would be mailed on December 31st.

Vice Chairman Inman reiterated that these are “pass thru” funds and right now the county does not know what affect the State’s budget shortfall will have on the county and paying these invoices would simply be making a loan to YVEDDI.

Chairman Lankford entertained a motion.

Vice Chairman Inman moved to deny the request submitted by YVEDDI. Commissioner Jones seconded and the motion carried (4-1) with Commissioner Walker voting against the motion.

Stokes Reynolds Memorial Hospital, Inc. Revision to Confirmation Letter for Operating Losses

Chairman Lankford entertained a motion.

Vice Chairman Inman moved that this Board approve the amended letter dated December 13th to the Stokes Reynolds Memorial Hospital Board of Trustees and also approve Chairman Lankford to execute the document. Commissioner Booth seconded the motion.

Commissioner Walker confirmed with Attorney Crill that his recommendation was to go ahead and deal with the matter now in order to have a clean audit.

Attorney Crill reiterated that the County is not being required to pay the entire \$1.4 million dollars now, it is simply requesting the county to assist the hospital if the hospital does not have the funds to make the payment toward the debt.

Commissioner Walker noted that the letter states that advances must be requested by the hospital and will only be provided based on cash flow needs of the hospital.

Commissioner Walker questioned Attorney Crill regarding the fact that when the county acquired the hospital, the county acquired the debt. Attorney Crill stated that is a true statement, but the county is looking to the hospital to pay the debt and if the hospital can’t meet their cash flow needs, this letter is stating that the county will assist the hospital based on its cash flow needs which

could be greater or less than the debt payment. This is the basically the same arrangement that the county has been in since the county took over operations on March 1, 2010.

Attorney Crill noted the county must keep in mind that the RFP requires a commitment from the purchaser to build a new hospital.

The motion carried unanimously.

Draft RFP for Stokes Reynolds Memorial Hospital, Inc.

Chairman Lankford noted Special Legal Counsel John Crill was in attendance for today's meeting to discuss the following RFP for Stokes Reynolds Memorial Hospital along with the following Proposed Resolution to Sell, Lease of Convey Stokes Reynolds Memorial which was included in today's Agenda material:

Re: Proposals for the Lease, Sale or Conveyance of Stokes-Reynolds Memorial Hospital

Dear _____,

On _____, 2010, the Board of Commissioners (the "Board of Commissioners") of Stokes County, North Carolina (the "County") adopted a resolution (the "Resolution") declaring its intent to sell, lease, or convey Stokes-Reynolds Memorial Hospital (the "Hospital"). In accordance with the Resolution and the provisions of Part 1, Article 2, Chapter 131E of the NC General Statutes (the "Statute"), the Board of Commissioners is required to solicit proposals for the sale, lease or conveyance of the Hospital. The purpose of this letter is to invite your organization to submit a proposal. (copies of the Resolution and the Statute are enclosed for your reference.) The County is under no obligation or responsibility to accept any proposal and reserves the right to reject any and all proposals.

The Hospital is owned by the County and is operated by Stokes-Reynolds Memorial Hospital, Inc., a nonprofit corporation (the "Corporation"), pursuant to a lease agreement (the "Lease") between the County, as Lessor, and the Corporation, as Lessee. The Lease will terminate upon the closing of the sale of the Hospital assets to the Purchaser.

It is the intention of the County to sell the Hospital, but proposals for the lease of the Hospital real estate and the sale of the personal assets will be considered. The County will require, as a condition to the sale or lease of the Hospital, that the buyer or lessee (the "Purchaser") agree to replace the Hospital's inpatient hospital facility with a new inpatient hospital facility within a reasonable period of time. The County will require that location of the replacement hospital be consistent with the CMS requirements for the relocation of a Critical Access Hospital and that it be within an approximately three-mile radius of the Hospital. The County reserves the right to retain possession and use of a modular building located on the hospital campus in Danbury.

In addition to the condition regarding the replacement of the inpatient facility, the following specific provisions listed in the Statute will be included in the lease, sale or conveyance document:

1. The Purchaser shall operate the Hospital, including the replacement inpatient facility, as a community general hospital open to the general public and free of discrimination based on race, creed, color, sex, or national origin.
2. The Purchaser shall continue to provide the same or similar clinical hospital services in medical-surgery, pediatrics, outpatient and emergency treatment, including emergency services for the indigent, that the Hospital provided prior to the lease or sale of the Hospital.
3. The Purchaser shall ensure that indigent care is available to the population of the area served by the Hospital at levels related to need, as previously demonstrated and determined mutually by the County and the Purchaser.

4. The Purchaser shall not enact financial admission policies that have the effect of denying essential medical services or treatment solely because of a patient's immediate inability to pay for the services or treatment.

5. The Purchaser shall ensure that admission to and services of the Hospital are available to beneficiaries of governmental reimbursement programs without discrimination or preference because they are beneficiaries of such programs.

6. The Purchaser shall prepare an annual report to the County that demonstrates compliance with the requirements of the lease or sale documents.

The Purchaser shall agree that if it fails to substantially comply with the foregoing conditions, including without limitation, the replacement of the Hospital's inpatient facility with a new inpatient facility, or if it fails to operate the Hospital as a community general hospital, or if it dissolves without a successor corporation to carry out the terms and conditions of the lease or sale documents, then all ownership or other rights in the Hospital, including the building, land and equipment associated with the Hospital, shall revert to the County; provided that any building, land or equipment associated with the Hospital that the Purchaser has constructed or acquired since the sale or lease may revert only upon payment to the Purchaser of a sum equal to the cost less depreciation of the building, land or equipment.

The County expects to select the Purchaser from its careful examination of the proposals and to thereafter enter into negotiations with the selected party relating to a definitive agreement or agreements. However, the County reserves the right to reject any or all proposals for reasons sufficient to the Board of Commissioners in its sole and absolute discretion.

The County will require the Purchaser to reimburse the County for its professional expenses in preparing this RFP and in connection with the sale or lease transaction, including without limitation, legal and consulting fees and expenses.

The County will require the Purchaser to provide professional liability coverage (i.e. "Tail Coverage") to protect the County against liability for claims arising prior to the purchase of the Hospital.

Hospital Description

Stokes-Reynolds Memorial Hospital (License #H0165) is a federally recognized Critical Access Hospital with two campus locations; Stokes-Reynolds Memorial Hospital in Danbury and Dr. J.R. Jones Medical Center in King. These are described as follows:

Stokes-Reynolds Memorial Hospital, Inc. ("SRMH")
1570 NC Hwy 8 & 89 North
P.O. Box 10
Danbury, NC 27016

The SRMH campus in Danbury includes a full time Emergency Department with 9 treatment rooms and 53 licensed inpatient general acute care beds (25 of these beds are staffed) and 40 nursing facility beds that comprise the Stokes-Reynolds Skilled Nursing Facility. This hospital campus location provides diagnostic imaging services including fluoroscopy, echocardiography, vascular studies and ultrasound. Surgical capacity at this location includes two licensed operating rooms that serve both inpatients and ambulatory patients. Ancillary services include laboratory, physical therapy, occupational therapy, respiratory therapy and pulmonary rehabilitation, diabetes education and outpatient behavioral health. The Hospital also operates Stokes Medical Associates family practice and Stokes Medical Associates-Pediatrics which are located on the Danbury campus. The total gross square footage of the hospital facility in Danbury is 52,330.

Dr. J.R. Jones Medical Center
402 West King Street
P.O. Box 410
King, NC 27021

Located in southwestern Stokes County, the Dr. J.R. Jones Medical Center is licensed as part of Stokes-Reynolds Memorial Hospital and includes ambulatory surgery, endoscopy and outpatient diagnostic services, including laboratory. Two ambulatory operating rooms are located

in the facility. Dr. J.R. Jones Medical Center provides emergency services Monday through Friday from 8:00a.m to 12:00 Midnight and weekends & holidays from 9:00a.m to 12:00 midnight. Imaging services include a CT scanner, a radiography and fluoroscopy room and computed radiography. The Dr. J.R. Jones Medical Center totals 12,378 square feet.

In addition to the above hospital facility locations, the Hospital provides outpatient services in leased space at the Stokes Medical Center Park office building 167 Moore Road, King NC. Hospital-owned imaging equipment at this location includes ultrasound, radiography unit, bone density unit and mammography. At this location, the hospital also provides physical therapy and occupational therapy services through a contract services agreement. The Hospital also operates the King Comprehensive Wound Center at this location. In addition, the Hospital partners with specialty physicians to provide Dermatology, Orthopedics, Podiatry and Urology services at Stokes Medical Center Park.

Property, Facilities and Equipment

The land, buildings and physical property owned by the hospital is described in the attached spread sheet entitled “Stokes-Reynolds Memorial Hospital, 2010-2011 Statement of Values.

CON Applications

According to hospital officials, there are no CON applications that are pending review or development.

Service Area Demographics

The majority of inpatients and long-term care patients originate from Stokes County, making it the primary services area for Stokes-Reynolds Memorial Hospital. Ambulatory surgery patients and endoscopy patients who obtain service at Dr. J.R. Jones Medical Center reflect a mix of patients with most originating from Stokes and Forsyth County.

The following table provides the total population data for Stokes and Forsyth Counties.

	2010	2015	% Growth
Stokes County	46,958	47,700	1.6%
Forsyth County	361,444	390,369	8.0%

North Carolina Office of State Budget and Management, July 2, 2010
www.osbm.state.nc.us

A high percentage of Stokes County inpatients and ambulatory patients are served by Forsyth Memorial Hospital and North Carolina Baptist Hospital. While these facilities offer considerable depth of tertiary care in Winston-Salem, Stokes-Reynolds Hospital fulfills a vital role in providing access to Emergency Department, outpatient and inpatient care as well as nursing facility care to Stokes County residents within their home county.

Financial Statements

Copies of the Hospital’s audited financial statements for the fiscal years ended June 30, 2008 and June 30, 2009 and interim financial statements through February 28, 2010, are enclosed with this letter.

Proposals

Your proposal should be in writing, signed by an authorized person, and received by the undersigned no later than 5:00 pm on _____, 2010. My mailing address is Post Office Box 20 Danbury, NC 27016 and my office is located in the Stokes County Administration Building, located at 1014 Main Street, Danbury, North Carolina 27016. Requests for additional information should be submitted to me. You are invited to visit the Hospital. Please call me to schedule your visit. My telephone number is (336) 593-2448 and my fax number is (336) 593-2346.

Please provide us with six (6) copies of your proposal and an electronic copy, which may be in the form of a compact disk or an attachment to an e-mail. The electronic copy should be in PDF format.

All proposals will be evaluated as submitted; provided that the County reserves the right to request more information. Although your proposal will be a public document, it will be reviewed by the Commissioners in closed session, and will be made available to the public when the County gives notice of a public hearing on the proposals.

Information Regarding the Proposing Company

Please provide the following information in your proposal.

1. The full name of your company (the “Company”), its state of organization, the date of its organization, its mailing and street addresses, telephone number and the name of the person to contact. Please provide the same information for each subsidiary and affiliate of the Company which is engaged in the operation of a hospital (each, a “Subsidiary” and collectively, the “Subsidiaries”).

2. The name of the directors and principal officers of the Company and each Subsidiary, and a brief summary of the experience of each person in the healthcare industry.

3. Copies of the audited financial statements of the Company and each Subsidiary (including all footnotes and auditor’s letters) for the last three fiscal years and unaudited interim statements for the current period. Please provide us with a copy of the attorneys’ letters regarding pending and threatened claims and investigations for the Company and each Subsidiary for each of the last three fiscal years.

4. A list of all hospitals owned and/or operated by the Company and its Subsidiaries, including the mailing addresses, telephone numbers and persons to contact for each hospital. Please indicate which of these are Critical Access Hospitals.

5. A statement as to whether or not the Company, any Subsidiary or any shareholder, officer or director of the Company or any Subsidiary has ever been suspended or excluded from or denied participation in any federal health care program, including without limitation Medicare, Medicaid and TRICARE. Please indicate whether there are any threatened or ongoing investigations relating to Medicare, Medicaid or TRICARE.

6. A statement as to whether or not the licensure or accreditation of the Company or any Subsidiary, or any hospital owned or operated by the Company or any Subsidiary of the Company, has ever been suspended, revoked or denied.

7. A listing of the insurance coverage maintained by the Company and each Subsidiary, including without limitation, professional liability, general liability and officers and directors coverage. Please include the name of each insurance company and provide the coverage limits and deductibles under each policy.

8. A copy of the indigent care policies in effect at hospitals owned or operated by the Company and any Subsidiary of the Company.

9. A copy of the most recent community benefit report or reports of the Company and its Subsidiaries.

10. A complete list of services provided by the hospitals owned and operated by the Company and its Subsidiaries.

Matters to be Discussed in the Proposals

Please discuss the following matters in your proposal:

1. How you propose to structure the transaction, including the amount you are willing to pay for the purchase or lease of the Hospital real estate and the purchase of the non-real estate Hospital assets.
2. Describe your vision for providing health care services in the Hospital’s service area and strategy the Company plans to employ to implement any changes necessary to achieve the vision
3. How you propose to grow the Hospital’s inpatient and outpatient volumes.

4. Describe your plan to reduce patient outmigration.
5. Give examples of successful growth strategies that the Company has utilized.
6. Do you plan to make changes to the medical staff structure at the Hospital? If so, please describe your proposed changes.
7. Does the Company or any of its Subsidiaries operate a hospitalist program? If so, please describe the program.
8. Specifically describe the Company's experience in physician recruitment and management of physician practices. What financial arrangements (income guarantees, loans, other financial assistance) does the Company contemplate using when recruiting physicians?
9. Please describe the Company's policies and programs regarding access to care for indigent and uninsured residents, including your specific experience with providing indigent care.
10. Please describe how you determine charity care as opposed to bad debts.
11. Describe the commitment to help the Hospital access sufficient capital to address its facility, physician recruitment and other requirements for long-term financial stability and ability to support clinical excellence in the future.
12. Describe the information technology features the Company could offer to the Hospital.
13. Your commitment to continued employment of current Hospital employees and continuation of equivalent benefits, including without limitation, retirement benefits.
14. Your commitment to plan, develop construct and license a new hospital facility within five (5) years.
15. Your record of regulatory compliance.
16. Your commitment to maintain appropriate amounts of insurance coverage including without limitation, professional liability coverage and "tail" coverage to protect the County after the lease or sale of the Hospital.
17. Information demonstrating that the lease, or sale of the Hospital to your organization will provide for the health-related needs of medically underserved groups such as low income persons, racial and ethnic minorities, and handicapped persons.
18. Information on charges, services, and indigent care at similar facilities owned or operated by the Company and its subsidiaries.
19. Please indicate whether you are willing to pay or reimburse the County for the costs of professional fees in connection with the development of this RFP and relating to the sale or lease of the Hospital.
20. Please provide information and examples of your commitment to support psychiatric and mental health services and coordination of care through the hospital emergency department. Please describe your experience regarding innovative methods for assessment and coordination of care or including telepsychiatry.
21. Please describe your proposal for relocating or replacing the Stokes-Reynolds Skilled Nursing Facility.
22. Your commitment to support Stokes County Emergency Medical Services capability to maintain an "**EMS crew station / on-call room**" at the existing and anticipated replacement hospital facility.

23. Information and examples of your commitment to support Stokes County EMS and other County Departments ability to obtain physician examination of employees with workers compensation injuries during and after normal business hours.
24. Your commitment to support public health initiatives including contract staffing for part-time, shared positions including physician's assistant and nurse practitioner, provided by the hospital to the Stokes County Public Health Clinics and the Hospital's continued participation in Grant funded programs with the Health Department.
25. Your commitment to support public health initiatives including Healthy Carolinians and other programs.

Please contact the undersigned for more information regarding the Hospital and to schedule a visit to the Hospital

Thank you very much for your interest in this important matter.

Sincerely,

County Manager

cc: Stokes County Board of Commissioners

Enclosures:

Resolution
Statute
Financial Statements
Statement of Values

Proposed Resolution – of Intent to Sell, Lease, or Convey Stokes Reynolds Memorial Hospital

RESOLUTION DECLARING THE INTENT OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF STOKES, NORTH CAROLINA TO LEASE, SELL OR CONVEY STOKES-REYNOLDS MEMORIAL HOSPITAL

WHEREAS, Stokes-Reynolds Memorial Hospital (the “Hospital”) is owned by the County of Stokes, North Carolina (the “County”); and

WHEREAS, the Hospital consists of the Stokes-Reynolds Memorial Hospital inpatient hospital facility located at 1570 NC Hwy 8 & 89 North, Danbury, North Carolina, and the J. R. Jones Medical Center outpatient facility located at 402 West King Street, King, North Carolina; and

WHEREAS, the Hospital also includes a forty (40) bed skilled nursing facility located at 1570 NC Hwy 8 & 89 North, Danbury, North Carolina; and

WHEREAS, the Hospital is operated as a community general hospital by the Stokes-Reynolds Memorial Hospital, Inc. Board of Trustees; and

WHEREAS, **the Board of Commissioners of the County (the “Board of Commissioners”) appoints the members of the Board of Trustees of Stokes-Reynolds Memorial Hospital, Inc.; and**

WHEREAS, The Board of Commissioners is interested in receiving proposals for the lease, sale or conveyance of the Hospital and intends to negotiate a contract to sell, lease or convey the Hospital; and

WHEREAS, any lease, sale or conveyance of the Hospital by the Board of Commissioners (i) shall be pursuant to the authority granted to the County by Part 1, Article 2, Chapter 131E of the North Carolina General Statutes (the "Statute"), and (ii) shall be in compliance with the procedures set out in the Statute, and any document of sale or lease shall include the conditions required by the Statute;

WHEREAS, in compliance with the Statute, the Board of Commissioners has given notice by publication of its intent to lease, sell or convey the Hospital and has given notice by certified mail to certain agencies of the State of North Carolina, as required by the Statute; and

WHEREAS, there has been presented to the Board of Commissioners a Request For Proposals for the lease, sale or conveyance of the Hospital which the County intends to send to prospective lessees and buyers.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE COUNTY OF STOKES, NORTH CAROLINA RESOLVES AS FOLLOWS:

(1) The Board of Commissioners hereby declares its intent to lease, sell, or convey Stokes-Reynolds Memorial Hospital, pursuant to terms and conditions negotiated by the Board of Commissioners.

(2) The Board of Commissioners hereby approves the form and content of the Request For Proposals (the "RFP") and hereby authorizes the County Manager of Stokes County to provide a copy of the RFP to any person who requests a copy.

(3) The County Manager shall directly solicit proposals for the lease, sale, or conveyance of the Hospital from the entities listed on Exhibit "A" attached hereto. Each such solicitation shall include a copy of the RFP and a copy of the Statute. All proposals for the lease, sale, or conveyance of the Hospital must be received by _____, 2010, in order to be considered by the Board of Commissioners.

(4) Any entity interested in leasing or purchasing the Hospital shall provide to the County Manager information as to charges, services and indigent care at similar facilities owned or operated by the proposed lessee or purchaser.

(5) The Board of Commissioners reserves the right to reject any and all proposals and to accept the proposal that it determines, in its sole and absolute discretion, is in the best interests of Stokes County and its citizens.

(6) The Board of Commissioners intends to negotiate a contract for the lease, sale, or conveyance of the Hospital with the entity that submits the proposal accepted by the Board of Commissioners.

(7) A public hearing on this Resolution of Intent shall be held on _____, 2011, at _____ am/pm. in the Commissioners Chambers, Administration Building, 1014 Main Street, Danbury, North Carolina 27016

Adopted this 13th day of December, 2010

Ernest Lankford - Chairman

J. Leon Inman - Vice Chairman

Jimmy Walker - Commissioner

Ronda Jones - Commissioner

James D. Booth - Commissioner

Attest:

Darlene M. Bullins - Clerk to the Board

Attorney John Crill discussed the following issues with the Board regarding the draft RFP for Stokes Reynolds Memorial Hospital, Inc.:

- The thing that starts the RFP process is the adoption of the Resolution Declaring the Intent of the Board of Commissioners of the County of Stokes, North Carolina to Lease, Sell, or Convey Stokes Reynolds Memorial Hospital
- Adoption of the Resolution actually announces the intentions of the Board
- RFP process will take at least 60 days and normally takes up to 6 months to complete
- RFP states that the County is under no obligation or responsibility to accept any proposal and reserves the right to reject any and all proposals
- RFP was prepared with the assistance of a health care consultant who interviewed several individuals regarding the needs of the hospital
- RFP contains several requirements
- County must decide if financial statements will be included in the RFP
- RFP process is driven by General Statutes
- Special notification must be sent to specific state agencies notifying them the Board might consider adoption of the Resolution, which has been done
- RFP must include the date of the Public Hearing for public comments regarding the adoption of the Resolution
- RFP must include a date that the RFP must be received
- RFP must be sent to anyone who has expressed interest in receiving the RFP, a list of 25 prospective buyers or lessees will be attached to the Resolution
- When the proposals are received, the Board must hold another Public Hearing regarding the proposals, copies of the proposals must be available to the public
- RFP is a very public process
- County can take as long as needed to negotiate with prospective buyers or lessees
- County reserves the right to request more information
- The Board of Commissioners must adopt a resolution approving the contract or contracts to lease or sell the hospital and authorizes the contract or contracts to be executed by the County which is available to the public
- Once the contract is approved, a closing date can be scheduled

Attorney Crill discussed the following specific provisions listed in the Statute which will be included in the lease, sale, or conveyance of the Hospital:

- The Purchaser shall operate the Hospital, including the replacement inpatient facility, as a community general hospital open to the general public and free of discrimination based on race, creed, color, sex, or national origin.
- The Purchaser shall continue to provide the same or similar clinical hospital services in medical-surgery, pediatrics, outpatient and emergency treatment, including emergency services for the indigent, that the Hospital provided prior to the lease or sale of the Hospital.
- The Purchaser shall ensure that indigent care is available to the population of the area served by the Hospital at levels related to need, as previously demonstrated and determined mutually by the County and the Purchaser.
- The Purchaser shall not enact financial admission policies that have the effect of denying essential medical services or treatment solely because of a patient's immediate inability to pay for the services or treatment.
- The Purchaser shall ensure that admission to and services of the Hospital are available to beneficiaries of governmental reimbursement programs without discrimination or preference because they are beneficiaries of such programs.
- The Purchaser shall prepare an annual report to the County that demonstrates compliance with the requirements of the lease or sale documents.
- The Purchaser shall agree that if it fails to substantially comply with the foregoing conditions, including without limitation, the replacement of the Hospital's inpatient facility with a new inpatient facility, or if it fails to operate the Hospital as a community general hospital, or if it dissolves without a successor corporation to carry out the terms and conditions of the lease or sale documents, then all ownership

or other rights in the Hospital, including the building, land and equipment associated with the Hospital, shall revert to the County; provided that any building, land or equipment associated with the Hospital that the Purchaser has constructed or acquired since the sale or lease may revert only upon payment to the Purchaser of a sum equal to the cost less depreciation of the building, land or equipment.

Attorney Crill also noted the RFP requires the following:

- The purchaser to provide professional liability coverage (i.e. “Tail Coverage”) to protect the County against liability for claims arising prior to the purchase of the Hospital
- The Purchaser to reimburse the County for its professional expenses in preparing this RFP and in connection with the sale or lease transaction, including without limitation, legal and consulting fees and expenses.

Attorney Crill discussed the following other items included in the RFP:

- Hospital Description
- Property, Facilities and Equipment
- CON Applications
- Service Area Demographics
- Information Regarding the Proposing Company
- Matters to be Discussed in the Proposals

Attorney Crill requested direction from the Board whether to advertise in “Modern Health Care” (national publication) which hospital administrators receive on a weekly basis. Ads in this particular publication are usually very inexpensive.

Attorney Crill discussed the following detailed timeline regarding the RFP process with the Board:

STOKES COUNTY

N.C.G.S. 131E-13(d)

Procedural Requirements and Timeline

Relating To The Lease, Sale Or Conveyance Of Stokes-Reynolds Memorial Hospital.

11/30/2010 Publish Notice of a Regular Meeting of the Board of County Commissioners to consider a Resolution of Intent to Sell, Lease or Convey Stokes-Reynolds Memorial Hospital (the “Hospital”) (**The Notice must be published not less than ten days prior to the meeting**)

12/12/2010_ The Board of County Commissioners (the “Board of Commissioners”), adopts the Resolution of Intent to Sell, lease or Convey the Hospital and approves the Request for Proposals

- (a) Specific notice of the meeting is given by certified mail to certain state agencies.
- (b) At the meeting, the Board of Commissioners requests proposals for lease or purchase by direct solicitation of at least five (5) prospective lessees or buyers and directs that specific notice be given to certain state agencies.
- (c) The Board of Commissioners schedules a public hearing on the Resolution of Intent (**The public hearing must be held not less than 15 days after adoption of the Resolution of Intent**)
- (d) Resolution of Intent is adopted

12/13/2010 Make Request For Proposals (“RFP”) available to interested parties.

_____ Publish Notice of a Public Hearing on the Resolution of Intent (**The notice must be published not less than 15 days prior to the hearing**)

- _____ The Board of Commissioners holds the public hearing on the Resolution of Intent
 - (a) The public hearing is held not less than 15 days after adoption of the Resolution of Intent
 - (b) The Board of Commissioners schedules a public hearing on the proposals.

- _____ Proposals due

- _____ Publish Notice of a Public Hearing of the Board of Commissioners on the proposals to lease or purchase the Hospital **(The Notice must be published not less than 10 days prior to the hearing)**

- _____ Copies of proposals available to the public (make copies available at least 10 days prior to the hearing)

- _____ The Board of Commissioners holds a public hearing on the proposals for lease or purchase of the Hospital.
 - (a) **The public hearing is held not less than 45 days after adopting the Resolution of Intent and not less than 30 days after the public hearing on the notice of intent.**
 - (b) The public hearing includes time for public presentations of the proposals

- _____ Publish Notice of a Regular Meeting of the Board of Commissioners to approve the lease or sale of the Hospital and authorize the negotiation of the terms and conditions of a definitive contract or contracts for the lease, sale or conveyance of the Hospital. **(The Notice must be published not later than 10 days prior to the meeting)**

- _____ Publish notice of the Regular Meeting of the Board of Commissioners to approve the terms and conditions of the definitive contract or contracts for the sale, lease or conveyance of the Hospital and to approve the execution of the definitive contract or contracts. **(The Notice must be published not less than 10 days prior to the meeting).**

- _____ Copies of the definitive contract or contracts for the sale, lease, or conveyance of the Hospital are made available to the public no less than ten days prior to the meeting to approve the contract or contracts.

- _____ At the regular meeting, the Board of Commissioners adopts a resolution approving the contract or contracts to lease or sell the Hospital and authorizes the contract or contracts to be executed by the County. **The resolution must including a finding that the lease, sale or conveyance is in the public interest after considering whether the proposed lease, sale, or conveyance will meet the health-related needs of medically underserved groups, such as low income persons, racial and ethnic minorities, and handicapped persons.**

- _____ Closing of the sale or lease transaction

The Board unanimously agreed to amend the proposed RFP regarding financial statements to read the following: Copies of the Hospital’s audited statements for the fiscal years ending June 30, 2008, June 30, 2009, and June 30, 2010 will be available upon request.

The Board unanimously agreed to schedule the Public Hearing on Monday, January 10, 2011 at 1:35 pm.

The Board unanimously agreed that all proposals must be received by 5:00 pm, Monday, January 31, 2011.

The Board unanimously agreed to have Attorney Crill proceed with advertising in “Modern Health Care”. Attorney Crill noted that he could notify the County of the cost before proceeding with the advertisement which would probably be less than \$500.00. The Board unanimously agreed to instruct Attorney Crill to proceed with advertising if less than \$500.00.

Vice Chairman Inman noted that the following corrections to the list of prospective buyers or lessees:

- Jeff Judd is no longer with HMC/CAH
- Michael Freeman is no longer with Wake Forest University Baptist Medical Center

Commissioner Walker confirmed with Attorney Crill that the JRJones Medical Center is properly covered in the RFP.

Attorney Crill noted that there could be several different offers regarding the purchase or lease of the JRJones Medical Center and the county can negotiate the services to be provided at the facility. Attorney Crill reiterated that the purchaser, as required by General Statute, shall continue to provide the same or similar clinical hospital services and JRJones is part of the hospital.

Commissioner Walker questioned whether the CONs would revert back to the County if the purchaser fails to comply with the foregoing conditions of replacing the hospital’s inpatient facility with a new inpatient facility or if fails to operate the hospital as a community general hospital.

Attorney Crill noted that he was unsure what the licensing section would do with that particular situation and that should be included in the negotiations.

Commissioner Walker confirmed with Attorney Crill that the Board could consider all proposals even if the proposal is not prepared exactly as it is specified in the RFP. Attorney Crill also noted the Board had the right to reject any or all proposals and that the Board’s only requirement is to accept the proposal that the Board feels is in the best interest of the county.

The Board unanimously agreed that Chairman Lankford would sign the RFP.

The Board unanimously agreed that County Manager would be replaced by the Chairman of the Board of Commissioners in the Resolution.

Chairman Lankford entertained a motion.

Commissioner Booth moved to adopt the Resolution Declaring the Intent of the Board of Commissioners of the County of Stokes, North Carolina to Lease, Sell or Convey Stokes

Reynolds Memorial Hospital and Request for Proposals for the Lease, Sale or Conveyance of Stokes Reynolds Memorial Hospital as amended. Vice Chairman Inman seconded the motion.

Vice Chairman Inman stated that he felt that this Board had held a Public Hearing to receive public comments, had worked diligently to keep the hospital open and the best decision at this time is to put the hospital out for RFP. Commissioners Jones and Booth concurred with Vice Chairman Inman. The motion carried unanimously.

Closed Session

Chairman Lankford entertained a motion to enter Closed Session for the following:

- To consider the initial employment or appointment of an individual to any office or position, other than a vacancy in the Board of County Commissioners or any other public body, or to consider the qualifications, competence, performance, character, and fitness of any public officer or employee, other than a member of the Board of Commissioners or of some other public body pursuant to G.S. 143-318.11(a)(6).

Commissioner Booth moved to enter Closed Session for the following:

- To consider the initial employment or appointment of an individual to any office or position, other than a vacancy in the Board of County Commissioners or any other public body, or to consider the qualifications, competence, performance, character, and fitness of any public officer or employee, other than a member of the Board of Commissioners or of some other public body pursuant to G.S. 143-318.11(a)(6).

Commissioner Jones seconded and the motion carried unanimously.

The Board re-entered the regular session of the December 13th meeting.

Signature Authorization

Chairman Lankford entertained a motion.

Commissioner Booth moved to give Clerk Darlene Bullins authorization to sign paperwork normally signed by the county manager upon discussion with Chairman Lankford. Commissioner Walker seconded and the motion carried unanimously.

Adjournment

There being no further business to come before the Board, Chairman Lankford entertained a motion to recess the meeting until December 21st at 9:00 am.

Vice Chairman Inman moved to recess until December 21st at 9:00 am. Commissioner Jones seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

Ernest Lankford
Chairman