

STATE OF NORTH CAROLINA)
)
COUNTY OF STOKES)
)

OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
MAY 31, 2016

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Special Called Emergency Session in the Commissioners’ Chambers of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Tuesday, May 31, 2016 at 12:00 noon with the following members present:

Chairman J. Leon Inman
Vice Chairman James D. Booth
Commissioner Jimmy Walker
Commissioner Ernest Lankford
Commissioner Ronda Jones

County Personnel in Attendance:
County Manager Richard D. Morris
Clerk to the Board Darlene Bullins
County Attorney Tyrone Browder

Chairman J. Leon Inman called the Emergency Meeting to order and welcomed those in attendance today.

INVOCATION

Chairman Inman invited those who wished to join in the invocation to please do so.
Commissioner Lankford delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

Chairman Inman invited the citizens in attendance to join the Board in the Pledge of Allegiance.

CLOSED SESSION

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

- To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged pursuant to G.S. 143-318.11(a)(3)

Commissioner Jones moved to enter Closed Session for the following:

- To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged pursuant to G.S. 143-318.11(a)(3)

Commissioner Walker seconded and the motion carried unanimously.

The Board re-entered the open session of the May 31st Emergency Meeting.

Chairman Inman entertained a motion.

Vice Chairman Booth moved to:

- Approve the following Memorandum of Agreement between Pioneer Health Services of Stokes County, Inc. and the County of Stokes as submitted by County Attorney Tyrone Browder at today's meeting subject to the approval of Pioneer Health Services of Stokes County:

Memorandum of Understanding

This Memorandum of Understanding ("MOU") is made and entered into as of May 31, 2016 ("Effective Date"), by and between Pioneer Health Services of Stokes County, Inc., a North Carolina corporation ("PHS"), and The County of Stokes, North Carolina ("COUNTY").

A. PHS operates a hospital, skilled nursing facility, medical office and other health care operations (the "Hospital") located in Stokes County, North Carolina, in facilities that are leased from COUNTY pursuant to a Lease and Transfer Agreement dated July 1, 2011 (the "Lease"); and a medical office building purchased by PHS and located in King, N.C. (the term "Hospital operations" as used herein also includes the operations at the medical office building in King, N.C.).

B. The parties have entered into an Interim Management Agreement (the "Management Agreement") relating to certain management services to be provided by COUNTY, and such Management Agreement is subject to approval of the United States Bankruptcy Court for the Southern District of Mississippi (the "Bankruptcy Court").

C. A hearing in the Bankruptcy Court on the motion to approve the Management Agreement has been scheduled for June 24, 2016 (the "Hearing"), and the parties wish to confirm certain mutual understandings regarding Hospital operations pending the Hearing.

Therefore, PHS and COUNTY hereby confirm their mutual understanding as follows:

1. COUNTY may, in its discretion, provide certain funding or other assistance to PHS during the period prior to the Hearing (the "Bridge Assistance") to facilitate Hospital operations, and in particular to maintain the current health care services provided by PHS in Stokes County.

2. Any Bridge Assistance provided by COUNTY is provided on the following terms and conditions:

a. PHS will retain Pam Tillman in her role as Chief Executive Officer of PHS until the final determination of the Bankruptcy Court on the motion to approve the Management Agreement. Pam Tillman has the authority to utilize Bridge Assistance in furtherance of Hospital operations as may be directed by COUNTY. Any Bridge Assistance shall be used solely for ordinary expenses incurred in Hospital operations, unless otherwise expressly agreed in writing by COUNTY.

b. PHS will provide documentation requested by COUNTY to confirm the basis of the need for any Bridge Assistance, and to confirm the use of any Bridge Assistance.

c. PHS will use revenue generated from Hospital operations from and after the date of this MOU solely in Hospital operations, to mitigate the need for Bridge Assistance.

d. PHS will follow the reasonable recommendations of COUNTY regarding services to be provided in Hospital operations to generate revenue and/or meet the needs of COUNTY residents from and after June 1, 2016.

e. PHS will not terminate or discontinue any Hospital operations or services or otherwise modify the ordinary course of business of the Hospital, except pursuant to subsection d. above.

f. PHS and COUNTY will propose a stipulation in the order approving the Management Agreement that the Management Agreement shall be effective retroactive to June 1, 2016.

3. PHS will accept any Bridge Assistance subject to the terms and conditions set forth herein. PHS confirms that the foregoing conditions do not conflict with or violate any obligations or agreements of PHS, and that PHS has the authority to enter into this MOU.

4. Any Bridge Assistance provided by COUNTY is provided in reliance on the terms and conditions set forth herein.

Acknowledged and agreed as of the date first written above.

PHS:

COUNTY:

**PIONEER HEALTH SERVICES OF
STOKES COUNTY, INC.**

**THE COUNTY OF STOKES, NORTH
CAROLINA**

By: _____

By: _____

Title: _____

Title: _____

- Approve contracting with a CPA for hospital financial services

- Approve Budget Amendment #76

Account Number	Account Description	Current Budgeted Amount	Increase (Decrease)	As Amended
General Fund				
Transfers				
100.9820.984	Transfer to SRMH Fund	<u>\$100,000.00</u>	<u>\$250,000.00</u>	<u>\$350,000.00</u>
Totals		\$100,000.00	\$250,000.00	\$350,000.00
SRMH Fund				
500.5700.001	Operating Expenses	<u>\$00.00</u>	<u>\$250,000.00</u>	<u>\$250,000.00</u>
Totals		\$00.00	\$250,000.00	\$250,000.00

This budget amendment is justified as follows:
To appropriate funds for the possible hospital operational expenses.

This will result in a **net increase** of **\$250,000.00** 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				
100.3991.000	Fund Balance	<u>\$2,244,446.00</u>	<u>\$250,000.00</u>	<u>\$2,494,446.00</u>
Totals		\$2,244,446.00	\$250,000.00	\$2,494,446.00
SRMH Fund				
500.3981.000	Transfer from General Fund	<u>\$100,000.00</u>	<u>\$250,000.00</u>	<u>\$350,000.00</u>
Totals		\$100,000.00	\$250,000.00	\$350,000.00

Commissioner Jones seconded and the motion carried unanimously.

Adjournment

There being no further business to come before the Board, Chairman Inman entertained a motion to adjourn the Emergency Meeting.

Vice Chairman Booth moved to adjourn the Emergency Meeting. Commissioner Lankford seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

J. Leon Inman
Chairman