

## MINUTES – JUNE 7, 2012

The Caswell County Board of Commissioners reconvened its meeting at the Historic Courthouse in Yanceyville, North Carolina at 5:30 p.m. on Thursday, June 7, 2012. Members present: Nathaniel Hall, Chairman, Cathy W. Lucas, Vice-Chair, Kenneth D. Travis and N. Kent Williamson. Absent: William E. Carter, Jeremiah Jefferies and Gordon G. Satterfield. Also present: Kevin Howard, County Manager, Gwen Vaughn, Finance Director, Thomas Bernard, Tax Director and Dr. Fred Moore, Health Director. Paula P. Seamster, Clerk to the Board, recorded the minutes.

### MOMENT OF SILENT PRAYER

Chairman Hall opened the meeting with a Moment of Silent Prayer.

### BUDGET WORKSHOP

#### Tax Department

Chairman Hall stated “We will start with the questions for the Tax Department. We may have some more questions but we will address those that were asked in the prior budget work sessions. One of the questions asked Mr. Bernard had to do with the valuations. There appeared to be a pretty good increase in the valuation values this year over last year’s.”

Mr. Bernard stated “What caused that valuation change in the new construction that we pick up. I think so far this year we have picked up about nine million. The splits for the new construction may be valued at two, three, or four thousand dollars an acre and making a home site out of it. That increases the valuation.” Chairman Hall asked “So with the valuation generally we are talking about nine million in new construction.” Mr. Bernard responded “Yes so far it is nine million in new construction. There are a few more things we are working on but so far we have nine million in new construction.” Chairman Hall asked “Is that since July 1?” Mr. Bernard responded “Since January 1. In the increase in valuations we have also had an increase in values in business/personal property values, which we like to see. We have a lot of internet sweepstakes coming into the county and some of them have a lot of business/personal property. We are still chasing down the companies that actually lease the equipment. We have not gotten those nailed down yet. We are seeing vehicle values are tending to go back up per year. We had that slump back in ’09 but people have been buying new vehicles or whatever and we are seeing the vehicle values going up. Of course, this is all an estimation which is the best we can do. In talking with the Department of Revenue today it looks like our utility values will be going up also.”

Commissioner Lucas asked “Do we have a current total on motor vehicles revenues? Do you have that up-to-date?” Mr. Bernard responded “No, I don’t have that.” Ms. Vaughn added “What we have on the books does not breakout motor vehicles. We just have the tax levy and collections so I would have to get that number in particular...” Commissioner Lucas continued “Is it not listed separately in our revenues?” Ms. Vaughn responded “No it is not.” Mr. Bernard added “I have the total collection rate as of today for everything.” Commissioner Lucas stated “I was just curious about the motor vehicles and it is broken down here in this report.” Mr. Bernard

responded "That is the valuations. That is the estimated values that we are looking at for..." Commissioner Lucas continued "What I was interested in was the actual amount received." Mr. Bernard responded "Tax dollars?" Commissioner Lucas responded "Yes." Chairman Hall stated "A couple of years ago you gave us a delinquent motor vehicle report and I think it is still in the clerk's office. I just assumed that we kept that separate so we could monitor it." Mr. Bernard responded "I can run it separate. I did not know you wanted the collection rates for the motor vehicles tonight." Commissioner Lucas stated "I will call you and get it." Chairman Hall stated "I think for Finance it might be good if we separate those so when we look at the periodic reports we don't have to ask anybody we will be able to see that we have x number of ad valorem taxes and auto. That may mean some different coding." Ms. Vaughn responded "We just need to add the motor vehicle code. I will work with the Tax Director and see how we can do that." Chairman Hall continued "So when the auditors do our books they always do that manually or do you get it for them?" Ms. Vaughn responded "They use the tax report. They use the print out from the ACS program." Mr. Bernard added "When the auditors come I run it for the year for timeframe they are asking for. I run one for real estate, one for personal property, one for motor vehicles and one for utilities." Chairman Hall asked "And we don't code that?" Ms. Vaughn responded "We do not."

Chairman Hall stated "One of the other questions had to do with foreclosures. How many have we had?" Mr. Bernard responded "That have been turned over to the attorney this year, is that what you are asking?" Chairman Hall stated "Do it in two parts. How many have been turned over and how many have been released?" Mr. Bernard responded "Out of the 1600 that were put in the paper there were 398 of those that we had to send to the attorney's office because we could not get a response. They were pretty much heir property and we did not have any bank accounts, no telephone numbers, no anything. Up-to-date I think there have been 42, and this is a total that we have ended up having to sell since we have started this program, about 42 parcels have been sold. The majority of them people have paid them off." Chairman Hall asked "What about this year?" Mr. Bernard responded "We turned over 398. We are selling 1 tomorrow. I think we have sold about 4 parcels this year. Like I said the majority of them ended up paying and that is a good thing."

Commissioner Travis asked "The question I asked the other day was how many farms have we taken out of farm use and started planting trees on it?" Mr. Bernard responded "How many went from agriculture to forestry? I don't know but I can find out. I can run that report." Commissioner Travis continued "What is the difference in the land value from agriculture to forestry?" Mr. Bernard responded "Open land on agriculture is taxed at 3.50 an acre and trees at 2.75." Commissioner Travis stated "So we lose \$75 in value an acre every time they go to tree farming. There is a lot of that going on right now."

Chairman Hall asked "Are you able to tell us how many have converted this year and how many in total we have in the county?" Mr. Bernard responded "We have not completed the applications that were done for this year. We have probably completed about two dozen. I will have to run the report to see how many parcels are in the land use program. I can do that."

Commissioner Lucas asked "I have the audit report that lists the values for the year of 2011. The total for the year was \$1,124,870. It does not list the number of parcels but it does list the

values.” Mr. Bernard responded “This is the tax that would be due if they all came out.” Commissioner Travis added “That is if they took all the farm land out and put it back.” Mr. Bernard responded “If they took it all out of the land use program they total amount for the ’11 year would be \$1,124,870 and then you would go back 3 more years and the total would be \$4,879,476.” Commissioner Lucas asked “For a total?” Mr. Bernard responded “Yes ma’am.” Commissioner Travis asked “Thomas let’s say that I am doing agricultural farming. You said your starts from January and goes to January, the taxes do. Say half the year I planted agriculture and the other half of the year I planted trees on it. Does it change when I plant the trees on it or does it wait until the end of the year?” Mr. Bernard responded “The next year. What I would advise you to do...” Commissioner Travis asked “I am not trying to find out what you would advise me to do. What I want to know is how the tax office would handle that? Do you do it at the end of the year? Because if you don’t we are losing money that we have set the tax rate at in the middle of the year.” Mr. Bernard responded “We don’t change in the middle of the year. It would have to wait until the following tax year.” Commissioner Travis stated “We need to know this when we are setting the tax rate because we are losing \$75.00 an acre on taxes, not dollars I am talking about the value of the land.” Mr. Bernard responded “I have that in my estimate value of real property. I have that adjusted in the fee, in that 1.2 million value of real estate.” Commissioner Travis stated “I would not be surprised if there was 1000 acres of land planted with trees this year.” Mr. Bernard responded “It may be. A lot of the applications I have seen come in the land use program for agriculture and they are switching to forestry.” Commissioner Travis stated “Right but we are still losing value.” Mr. Bernard continued “I try to take that into consideration in this estimation of real estate values.” Chairman Hall stated “Even though we have the dollar value we still don’t know how many acres we have in it now.” Mr. Bernard responded “What I will do is run a report for Ag and forestry and I will let you know.”

Mr. Howard asked “Is there a wildlife application as well?” Mr. Bernard responded “There is a wildlife classification but we do not have any in the wildlife classification. If you were to submit an application for the wildlife classification, if you have 200 acres you can only get 100 areas of that in that program. They limit that.”

Chairman Hall asked “So basically we have 3 categories. We have agriculture, forestry and then the regular households?” Mr. Bernard responded “Regular commercial value, yes sir.”

Commissioner Travis asked “I guess a person could have ½ their property in agriculture and ½ in forestry?” Mr. Bernard responded “Yes we have a number of farms that do. They have all of their open land in agriculture and all of their forestry land in forestry.” Commissioner Travis continued “It has not always been that way has it. I thought it used to be only one thing, farm use.” Mr. Bernard responded “It might have been years ago. Since I have been here we have been trying to keep it separate.”

Chairman Hall asked “How do we monitor agriculture and forestry land use?” Ms. Bernard responded “We try to check about 1/8 of them a year. We check to see if that farm is in actual production. When the appraisers are going out in the field or myself if I am going down the road and I will check. If I see that John Doe’s land is supposed to be in farm use, agricultural use, and I see these fields and you can tell if those fields are growing up with shrubs, pine and broom

straw. I then go back and pull the card on it and check it and notify him that I need to check his tax return so I can see the income where it is in agriculture. If there is not any income there and the farm is growing up then we pull it out and we have done that. The tobacco buyout payments are going towards the income right now. Say someone has a 10 acre track of land and it is in the agricultural use and they had been growing tobacco on it and this tobacco buy out, this state legislature has made the tobacco buyout money as income but the key to that is they have to keep all 10 of those acres open. If I see those qualified acres of open land even though they have the income proof but if they don't have the 10 open acres there it comes out then too. They have the income but they don't qualify for the open land." Commissioner Travis asked "When you take it back like that do they have to pay it back for 3 years?" Mr. Bernard responded "The current year plus three and all the interest." Commissioner Travis continued "And that has definitely been done in this county?" Mr. Bernard responded "Yes sir, more than one time." Chairman Hall stated "I think most of the tobacco buyout money is ending next year." Mr. Bernard responded "I have heard some say '13 and I have heard some say '14. I am thinking it is 2013. We will be closely checking that and monitoring that."

Mr. Bernard continued "In order for them to qualify for forestry they need to be doing that now. Say the last payment is in 2013 and they don't do anything until 2014, they can't wait until January 1, 2014 to start doing anything because it has to already be in compliance as of January 1, 2014 of whatever program it is going to fall into."

Chairman Hall asked "Do those programs have a long term and short term policy of what those farmers have to do?" Mr. Bernard responded "Once the trees are planted they have a forestry management program in place. Let's say they had 100 acres and they plant it all in pine or whatever it will take at least 15 or 20 years before the first part of that plan will go into place and then if it is good land depending on the fertility of the land between 20 to 25 years before a harvest will take place."

Commissioner Travis stated "To take agriculture you have to take so much money off that farm a year. What about the tree farm you will not get anything out of it for several years?" Mr. Bernard responded "There is no income on forestry. On agriculture there is a \$1,000 gross income per farm unit. It takes 10 acres to qualify. I have tried when I go to these meetings, conferences and stuff and we are talking with the Department of Revenue, a legit farmer will scarf at \$1,000 gross minimum income because he can't live on that. That is where we have to fight legislature down in Raleigh because they are the ones that made the laws and they are the ones that set this. \$1000 is not a whole lot of income."

Chairman Hall asked "One other question we had on the delinquent accounts the first letter that goes out who sends that letter?" Ms. Bernard responded "We do. We send the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> letters. We don't turn anything over to the attorney unless we don't get any responses or we cannot find any bank accounts or anything of that nature." Mr. Howard asked "When it goes to the attorney's office does he send a letter out first?" Mr. Bernard responded "Yes, he send a certified letter." Mr. Howard continued "And then if they do not pay on that it then goes to foreclosure, is that right?" Mr. Bernard responded "Right. He sends a letter and gives them 30 days to respond and to set up plans or whatever. It is like I tell then the county is not in the real estate business, we are in the business of collecting property taxes. All we want you do is pay."

Commissioner Travis asked "Thomas has towing these vehicles in to collect taxes helped any?" Mr. Bernard responded "They are coming around yes." Commissioner Travis continued "Are you getting the money." Mr. Bernard responded "Yes the sheriff's department has set a lot of them up on payments. They have brought some in. We are in the process of working on some big ones." Chairman Hall asked "The sheriff's department is setting them up on payments?" Mr. Bernard responded "They are coming to us to get them up on payments. If they go out there and the vehicles are not worth bringing it back in we try to work out payments. I have been very fortunate on the ones we have levied on and sold we have not gone in the hole. By the time you bring them in and do everything you are supposed to do it has to be a pretty nice vehicle or a big vehicle that you can sell for scrap metal to get the money out of it."

Commissioner Travis stated "This new inspection thing is going to help this county a lot." Commissioner Lucas asked "When will that go into effect?" Mr. Bernard responded "That house bill is supposed to go into effect on July 1, 2013. We are hoping it will go into effect. It should have already been in effect 2 ½ years ago. This will really improve our collection rate. We will have to run 2 systems probably for 6 months on that. You will pray your property taxes and your tags at the same time."

Commissioner Lucas asked "Are we seeing any gains in business/personal property?" Ms. Bernard responded "Yes." Commissioner Lucas continued "Do you have your new person in place?" Mr. Bernard responded "Yes and he is doing a really good job. We have seen a lot of gains in the internet sweepstakes. We have been working those hard. We have had to visit each individual one but it is going to pay off. He is doing a real good job."

Chairman Hall stated "We thank you and if you will us the other information we asked about. Get it to Paula and she will send it to us."

Commissioner Lucas asked "Can you do a homestead exemption on that as well on what we are getting on those?" Mr. Bernard responded "I can give you an exact amount on what we got in 2011. The deadline for those was just the other day." Commissioner Lucas continued "Are you concerned about the vehicle tax being down?" Mr. Bernard responded "Are you talking about our collection rate? The state average is at 86% and we were somewhere around 83%. Yes we have always been concerned about that."

Chairman Hall asked "Why don't we advertise this in the paper?" Mr. Bernard responded "We can advertise those. It is not required by statute. It will be a burden on the county itself. We are not the only county that has this concern."

Commissioner Williamson stated "This will go away when that new law takes effect."

Commissioner Lucas asked "Why is it taking so long to go into effect?" Mr. Bernard responded "We started on this about 5 years ago. In the very beginning the car dealers did not want to deal with this. They wanted to issue a tag and do what they do now and go on. The dealerships association has a lot of lobbying power evidently. Back then we had some senators that had car dealerships so they fought this. They put it off and put it off and then all of a sudden the DMV

said they needed a new system. Some of have said well North Carolina gave the Star System to I think the state of Georgia. The state of Georgia has been doing this down there with our old system we said to tell them to let us have it back with that addition on it and we can go from there. That is just a few of us trying to use the common sense approach. We have not had any success because we have to deal with the powers that be. It is taking a while but hopefully it will happen next year.”

Commissioner Travis asked “You said something a while ago; I did not think you could take credit cards over there.” Mr. Bernard responded “We don’t have a computer set up right there no. We can take credit cards online. As I got your letter on that and I think that is a great idea as long as there is no cost to the county. ACS is checking into adding a spot for credit cards. Gwen was going to check with Fidelity to see if we can take those credit card payments over the phone. No we can’t take them per se right now in our office but they can pay it online. The next morning they will sent me a notice that it was paid on line. If it is no charge to the county I think it is a great idea.” Commissioner Travis continued “You are going to see where more people will be paying with credit cards.” Chairman Hall added “There may be a charge but we have to look at the benefit to the citizens of Caswell County.”

### Health Department

Chairman Hall stated “Kevin do you want to explain to Dr. Moore a general overview of what we have been doing. We don’t want to go line by line. We want to talk about the Health Department in general and then some specifics.” Mr. Howard responded “What I have been doing is going through the different department and if the numbers are different this year from last year I have been pointing those out. Then they have asked questions and we have gotten the answers for the questions.”

Dr. Fred Moore stated “This year’s proposed budget is \$30,000 less than the current budget; a good chunk of that difference comes in the form of salary and benefit differences. We had a number of positions that we wanted to change. Decrease one full time position to 75%. Decrease another position from a processing assistant IV to a processing assistant III after reassessing the position. We are having one of our long time employees retire in January. As a result of that person leaving and trying to fill the position we were able to save several more thousand dollars. We reduced, based on jail health program that we have had in the past, well we have a nurse that spends 40% of her time over at the jail and come January 1<sup>st</sup> when the jail becomes occupied the jail health services will be taken over by another organization, we reduced that nurses position down to 60% basically just eliminating that jail funding. That saved almost \$10,000.”

Commissioner Lucas asked “Dr. Moore speaking of the jail situation, under the revenue page there is a jail health appropriation of \$13,349 and then a county appropriation of \$340,945 what is that? Account # 423012.” Dr. Moore responded “The county appropriation is not under jail health. That is a separate item. There is no line item for the county appropriation. There is no number associated with that. We basically reduced what we thought we were going to get from jail health 50% because it will only be a ½ service.” Chairman Hall asked “How do you propose to deal with the position? Will there be a reduction?” Dr. Moore responded “We will reduce

that position from a 100% position down to a 60% position come January 1<sup>st</sup>. That will reduce the money for that allocation by about 25% in next year's budget. Another major personnel change is we reduced our CAP social worker position. We typically over the last several years had 2 full time CAP social workers and CAP has been struggling the last year or so and with some conversations with the state consultant from Medicaid they told us that the approved or expected case load for 1 CAP social worker is 35 folks. We were basically over-staffed. We are reducing that to 1 ½ staff instead of the 2 we have had. They will save us about \$16,000 in salaries there." Chairman Hall continued "Do you think it is practical to go out and find a half time person." Dr. Moore responded "We had someone to actually accept the half time position and backed out of it." Chairman Hall stated "I understand what you are saying but do you think it is practical to hire a ½ time person otherwise you will end up having 1 LTE to fill the positions." Dr. Moore responded "I understand what you are saying. We have had some nibbles from some people for whatever reason in their life cycle; they wanted a ½ time position. In fact one person was very interested in it but she did not qualify. She did not have the right educational requirements that were required by the state for that. Yes there is a struggle to find somebody that can do that but knowing now what we know about the expected case load I don't know that we have a lot of options but to do that." Chairman Hall asked "What will happen if you only have the 1 FTE?" Dr. Moore responded "That is what we are doing right now and the person is working extremely hard to do that. For the last 2 months she has been doing that and she has been able to hold it together but that is not something that I would want her to continue indefinitely. At this point I don't see that we have an option other than to continue to try to fill that ½ time position."

Commissioner Lucas asked "What is the case load for that individual?" Dr. Moore responded "Medicaid recommends 35 but she is now at 50 which is significantly over what a recommended case load is. I can see somebody doing that for a while but I can't see somebody doing that indefinitely." Chairman Hall stated "You are really close to 2 FTEs." Dr. Moore responded "Well 2 FTEs would have 70 and we have a maximum case load of 50 in our CAP program. Medicaid has put a limit on that."

Dr. Moore stated "Those are the major reductions in salary that we have done. We are requesting to add a totally new nursing position in our clinic upstairs." Chairman Hall asked "How many nurses do you have now?" Dr. Moore asked "Are you talking about the whole Health Department? We have a total of 11 and we have offered a vacant position to another nurse so that is 12 and about ½ of those are in our Home Health program." Chairman Hall continued "Out of those 11 nurses working are they working to capacity?" Dr. Moore responded "Certainly in our Home Health Agency. I don't see them sitting around twiddling their thumbs." Chairman Hall continued "How do you gauge what they are supposed to do?" Dr. Moore responded "I gauge it by talking with the supervisor to see if there are problems or if someone is not doing their work." Chairman Hall asked "So we don't have an established norm. The nurses just come to work and basically do what they are supposed to do that day?" Dr. Moore responded "Certainly not as far as a social worker with a case load. It is different with every program they work in. Our home health nurses have an established norm that is based on home health statistics and home health recommendations across the nation. When you talk about a nurse in a clinic that is different, there are about 50 different things that they are doing as opposed to home health going out and making home visits. I don't know of any simple

productivity standard that could be held to our clinic nurses which is about ½ of what we have.” Chairman Hall stated “It seems to me if we have 11 or 12 nurses we should have some way to know if we only need 9 or 10 nurses. Someone should be able to monitor and say I have looked at your productivity and you only did 8 or 9 things out of this list of 10 things. Somebody needs to question whether or not that nurse is needed. You need to know what they are doing on a day to day basis and if they are properly assigned.” Dr. Moore responded “One standard of production is based on how quickly patients can be seen. Some day we may have 20, 25 or 30 patients and some days we may have 10 or 15 so it is kind of hard to make the judgment at that point as far as how many patients you are seeing because it varies on how many come in for their appointments. As far as do we have them properly assigned?” Chairman Hall stated “I only say that because you know what the Home Health nurses are doing.” Dr. Moore responded “That is because there are productivity standards with the Home Health. I am not aware of how you would do that other than having the supervisor checking to make sure the jobs are being done or if the people are slacking off for a lack of a better word or not busy enough to justify their being employed. Over the last several years we have been slowly ratcheting down the number of nurses that we have. I know we have at least dropped at least 2 in the last 2 years and it may even be 3 in our clinic. We have done some ratcheting down on that usually through when someone leaves whether they retire or they decide to move on we sit down and say do we really need to fill this position or do we need not to fill this position and how can we get the work done if we have one less person there. From everything I hear from the nursing supervisor I think she would like to have more people rather than less. We have included in the budget a new nursing position. This new nursing position will not be functioning in the clinic as a clinic nurse. This position will be funded 75% from the Pregnancy Care Management program which is a Medicaid funded program and a little over a year ago Medicaid had 2 programs. One called Child Service Coordination and Maternity Care Coordination and Medicaid decided that it was a better way of doing this. They made some major changes to these programs. They changed their names for one thing to Pregnancy Care Management and Childcare, I can never remember the name, CC4C. Basically these are social work positions that work with our young children and our pregnant moms throughout the county. They are not just patients at the Health Department but throughout the county to make sure that they are receiving the services that they need.” Chairman Hall asked “Where is the other 25% coming from for this position?” Dr. Moore responded “The other 25% for this position comes through various funding sources both revenue because this person will be able to do some home visit that can be reimbursed through Medicaid through actual home visits to newborn kids. It will come from....” Commissioner Lucas asked “That local amount is any of it in your budget?” Dr. Moore responded “There is no funding for this position is coming from county dollars. It comes from the Medicaid dollars that they are now paying us on a per member per month basis. It is not done on a fee service it is done as a per member per month.” Chairman Hall stated “They are not going to pay us both ways. They are not going to pay us both ways when we start this up and when we start billing.” Dr. Moore responded “There are two different services. The per member per month is based on the number of kids and pregnant moms in the county. When this person goes out and does a completely different service which could be a home visit for a newborn child then we can get some additional revenues for those kids too. We can receive reimbursement for that.” Chairman Hall continued “How are we doing that now?” Dr. Moore responded “Right now we have one social worker and we have a part time staff nurse who is working in that area now. It is about 50% of that part time person’s time. The people from Medicaid that run these programs is telling us that

we need to increase our staffing and we need to spend the dollars that they are giving us. They are giving us more than we are spending so we are trying to ratchet up that program to be in compliance with what the Medicaid folks are telling us to do.” Chairman Hall asked “So we have a part time nurse and a full time social worker and we are going to replace what they are doing with a full time nurse?” Dr. Moore responded “This will be a full time nurse that spends 75% of her time in this case management program. The other 25% of their time will be spend doing some of the other administrative duties needed in the clinic to try to take some of the load off the nurse practitioners so they don’t have to spend as much time doing administrative stuff and generate revenues seeing clients. In addition we are hoping to generate some revenue during that 25% of their time doing some of these newborn home visits.”

Commissioner Lucas asked “How many nurse practitioners do you have?” Dr. Moore responded “We have 1 full time nurse practitioner and on the books we have 3 part time nurse practitioners. All together they are probably around 10% FTE and they are used to help cover when our full time nurse practitioner is on vacation or continuing education and those sorts of things.”

Commissioner Travis asked “By this job description paper you have 13 nurses now. Do the supervisors work as nurses or do they just supervise?” Dr. Moore responded “I am not sure which list you are looking at.” Commissioner Travis continued “Job listings.” Dr. Moore responded “I will have to look at that to see which ones I forgot to mention. You are correct; I miscounted when I told you twelve. I must have missed one on my sheet and we have one additional one that we are trying to fill right now. That would make the total 14.”

Commissioner Lucas asked “Did you give us the vacancies on our vacancy list?” Ms. Vaughn responded “He had two vacant positions, yes.” Commissioner Travis asked “They are not on this list right?” Ms. Vaughn responded “They are not on that list, no.” Dr. Moore responded “The home health nurse position is the position that we have already offered the position. She will be starting June 25<sup>th</sup> so technically it is not a vacancy.” Commissioner Travis continued “So in other words you have 13 now and you want 14?” Dr. Moore responded “Right.”

Commissioner Lucas asked “The vacancy you have now is the one that is Medicaid funded?” Dr. Moore responded “That is our home health unit so it is Medicare and Medicaid funded.” Commissioner Travis asked “So no county dollars or tax dollars in that one?” Dr. Moore responded “No tax dollars in home health, no sir.”

Chairman Hall asked “Why no use one of the nurses you have now to fill the new position?” Dr. Moore responded “I think we talked about this. They are working and doing their job and those jobs are required in order to provide the services.” Chairman Hall continued “You said Home Health is doing their job but you did not tell us that with the clinic nurses.” Dr. Moore responded “That is subjective. I am not aware of a way to do a productivity elevation in the clinic for our nurses. If you are aware of something like that I would be glad to use it.” Chairman Hall stated “I am not and it really bothers me when you say that. In any organization you start with the basics. You are supposed to see x number of patients per day and so on. How do you know if you have enough people or how do you know if you have too many? That is all I want to say. That concerns me that you don’t have an evaluation procedure.”

Commissioner Lucas asked “Have you seen the numbers increase in patients from last year to this year?” Dr. Moore responded “We have not seen an increase. This additional position will not be used in the clinic to see clients. This is a separate activity.”

Dr. Moore stated “As far as the operating expenses, they are staying pretty stable. It shows here that it went up about \$20,000. A good chunk of that is for this additional management position and that is paid for out of the Medicaid per member per month. They literally have doubled the amount of money they are giving us compared to what they used to give us. They are pushing us very hard to spend that money. Just as a point of reference our operating expenses when you look at the graph of our non-salary benefit operating expenses over the last ten years those costs have remained extremely stable, right around \$700,000. You can see it is around \$900,000 now. That additional \$200,000 is strictly for the school nurse funding that now has to flow through the Health Department. It used to go straight to the schools but now it flows through the health department.”

Chairman Hall asked “Those nurses are they considered employees of the Health Department or employees of the School System?” Dr. Moore responded “They are considered employees of the school system. We have a contract with the school system to provide this. If you ask me to justify why the state changed this I can’t do that. All I know is they wanted the health departments to have the pulse on the school nurses so they made the money come through our hands. In some counties the health department and school nurses have not played well together and...” Chairman Hall asked “How do we keep our fingers on their pulse?” Dr. Moore responded “There is a state consultant that comes in and reviews their work on a quarterly basis and reviews their statistics. They have to keep up with how many kids have diabetes, how many kids with this and how many kids with that. How many encounters they have had with kids. They have told us that they are working very well. They also determine the number of school nurses there should be in a school system. It is somewhere around 720 or 730 kids per school nurse. With our 4 school nurses we meet that criteria here in Caswell County. There are a lot of counties that criteria but there are some counties that don’t meet that criteria.” Chairman Hall stated “So if I do the arithmetic we have enough nurse to serve 2800 students.” Dr. Moore responded “That is correct.” Chairman Hall continued “We don’t have 2800 students in our school system.” Dr. Moore responded “We have around 3,000. We actually exceed the number of students per nurse. The school invoices us and we pay the \$200,000 the state gives us and then the school has to pick up the rest of the tab for the school nurses. From what they tell us is they put an extra \$70,000 - \$100,000 per year to help pay for some of the other costs with the school nurses.”

Commissioner Lucas asked “Is that what is listed in your contracted services?” Dr. Moore responded “That is \$200,000 of that, yes ma’am.”

Chairman Hall asked “What is the status of the Home Health receivables?” Dr. Moore responded “I am sure you are aware that we have had a decrease in our home health revenues starting in November. It was a combination of several forces that caused this decrease in revenues or delay in revenues. Sharon told me last month that we are making up for that delay in revenue fairly rapidly. On a typical month our Home Health agency cost around \$100,000 per month and this past month we had a \$200,000 revenue month. The previous month was around

\$140,000 or \$150,000 revenue month. We have straightened out some of the issues that were causing this. Some of the issues were external and some of the issues were internal. We have worked our way through the external one and we have worked our way out of the internal ones and I think we are rapidly regaining the lost ground we made.”

Chairman Hall asked “What is the current balance in Home Health? How much have we billed for and not received?” Dr. Moore responded “Home Health total AR as of April was \$450,000.” Commissioner Lucas asked “We are billing private insurance as well through Home Health?” Dr. Moore responded “Yes.” Chairman Hall continued “There was \$200,000 last month and \$140,000 the previous month. How much is over a year old?” Dr. Moore responded “Very little of it because it basically disappears after a year. In our home health program we usually look our revenues that are usually 120 days old. As of April approximately 50% of that is 120 days old.”

Chairman Hall asked “Are there any issues with Medicaid we need to know about?” Dr. Moore responded “We have not heard of any across the Board of any reductions in Medicaid reimbursement rates. The Division of Public Health negotiates those rates separate from all of the private providers.” Chairman Hall continued “What about billing issues with Medicaid?” Dr. Moore responded “We have had some revenue delays because they have put in a whole new standard. We had issues with our vendors trying to work with Medicare. Some of it boiled down to we were supposed to be putting in the extra digits for the zip codes and they were just rejecting things. We had to do some research to find out why they were rejecting things. When we found out we put in the extra digits and boom it went through. We have ongoing issues with our state supply billing system with the clinic. It is a very ineffective piece of software. Most health departments are looking at abandoning ship from this piece of software. Sharon and her crew have to really work hard to get that revenue through. A lot of these issues are revenue delayed issues versus revenue loss issues. One of the Medicaid issues that had us sweating bullets over the last several weeks has been the Medicaid cost settlement that we get. Health Departments are considered a revenue neutral provider so every year a cost settlement is done and if the services we provided cost us more than what Medicaid reimbursed us then Medicaid cuts us a check for that difference. We got an email on May 21<sup>st</sup> that basically said that our cost settlement for the previous fiscal year was going to be 90% reduction in our cost settlement. We had emails that went back and forth. While I was away on vacation on May 29<sup>th</sup> we got an email back from the cost settlement folks saying well I have made adjustments to your cost settlement and you are actually going to get \$6,000 more than we got last year. How it went from a 90% reduction to \$6,000 more is beyond me. I emailed them back. I asked for an explanation and got nothing. We are expecting to receive around \$268,000 for the cost settlement. The question is is this going to come in this fiscal year or is it going to come in at the beginning of next fiscal year.” Chairman Hall responded “That is not a concern. We can handle that.”

Commissioner Lucas asked “This is the issues that our commissioner representative was concerned about, is that right?” Dr. Moore responded “Yes. At our last Board of Health meeting we talked about this because I received the first email the day before talking about the 90% reduction.”

## RECESS

The Board took a brief recess.

### Section 8 Housing

Mr. Howard stated “In front of you there is a memo that has more details about what was going on with Section 8 the first part of this year. I think we mentioned at the commissioners meeting that Section 8’s funding runs from January 1 through December 31<sup>st</sup>. We are budgeting ½ of our budget based on the number we received from the previous fiscal year. The federal government has been forcing Section 8 to spend their fund balance. We had a pretty decent fund balance two or three years ago. Prior to all of this everyone’s fund balance was kept in one fund balance. In January they told us we had to separate the funds. We had to break out the HAP program. When we did that we realized the Admin fund balance had a negative of \$18,000. You can spend the Admin on HAP but you can’t spend the HAP on Admin. In March when we figured out that this was happening Ms. Turner went to Section 8. In years past they would give you an emergency allocation to help cover this problem. They told her that they quit doing that in 2010. Their recommendation was for her to come before the Board to stop the cost allocation.”

Commissioner Lucas asked “What made the difference?” Ms. Vaughn responded “There was a reduction in admin. One month there was a very low allocation sent to them.”

Commissioner Travis asked “How much money in Section 8 is tax dollars?” Mr. Howard responded “Section 8 is 100% federal dollars. Up until this year they were given between \$50,000 and \$100,000 to the general fund as part of the cost allocation.” Commissioner Travis continued “But that is not going to be funded this fiscal year?” Mr. Howard responded “That is something that we will have to determine this fiscal year. They asked for it to be forgiven. The proposed budget does not include any cost allocation for Section 8.” Commissioner Travis stated “If we don’t give them money the services will be reduced.” Mr. Howard responded “They make enough money to operate. They just make enough to put a cost allocation into the general fund. I guess you could say it is costing the county dollars because we are reducing what they normal are charged. We are not putting county dollars into that program.”

Mr. Howard stated “We are looking at other avenues. Our Section 8 just does the voucher program. There are other things they can be doing to bring in revenues.”

Commissioner Travis stated “They are cutting back already.” Mr. Howard responded “They are reducing their spending. As folks become ineligible the voucher being funded, say in June folks come off the voucher they are not renewing them. Doing this does reduce the administrative side slightly. They want everyone to spend their fund balances down to 8%.”

Chairman Hall asked “Do we have a fraud investigation working full time with Section 8?” Mr. Howard responded “The Section 8 director is the fraud investigator.”

Commissioner Lucas asked “How is working out with the shared inspector?” Mr. Howard responded “Very well. In talking with her having that level of training helps her tremendously.”

Chairman Hall asked “Where are we on the capital improvements at Section 8?” Mr. Howard responded “The ramp has been done. We had some folks to redo the front porch but those did not show to do that work so we are trying to get someone else. We are going to put a concrete porch there.”

Commissioner Travis asked “Who did the ramp?” Mr. Howard responded “We did it in house, maintenance and inmate labor.” Commissioner Lucas asked “You can’t do the porch in house?” Mr. Howard responded “No.” Commissioner Lucas continued “Did that come out of the capital money?” Mr. Howard responded “It came out of maintenance money.”

RECESS

At 7:40 p.m. Commissioner Travis moved, seconded by Commissioner Williamson to recess until Thursday, June 14, 2012 at 5:30 p.m. The motion carried unanimously.

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Paula P. Seamster  
Clerk to the Board

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Nathaniel Hall  
Chairman

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