

**THE BOARD OF COUNTY COMMISSIONERS
DURHAM, NORTH CAROLINA**

Tuesday, September 7, 2004

1:30 P.M. Worksession

Minutes

Place: Commissioners' Room, second floor, Durham County Government Administrative Complex, 200 E. Main Street, Durham, NC

Present: Chairman Ellen W. Reckhow, Vice-Chairman Joe W. Bowser, and Commissioners Philip R. Cousin Jr., Becky M. Heron, and Mary D. Jacobs

Absent: None

Presider: Chairman Ellen W. Reckhow

Introduction of New Duke University President and Duke University Health System Chancellor, President, and Chief Executive Officer

Ms. MaryAnn Black, Associate Vice President for Community Relations, Duke University Health System, introduced the Board of County Commissioners to President Richard H. Brodhead, President of Duke University, and Dr. Victor J. Dzau, Chancellor for Health Affairs and President and Chief Executive Officer of the Duke University Health System.

Resource Person(s): MaryAnn Black, Associate Vice President for Community Relations, Duke University Health System

County Manager's Recommendation: The Manager recommended that the Board receive the introduction and welcome President Brodhead and Dr. Dzau to the Durham Community.

Chairman Reckhow said the first item on the agenda is the introduction of the new President of Duke University, Dr. Richard H. Brodhead, and the new chancellor of the Duke Health System, Dr. Victor Dzau. We welcome you to our meeting. We are pleased you are taking time out of your busy schedule to attend our meeting. Chairman Reckhow recognized former County Commissioner MaryAnn E. Black to make preliminary introductions. Ms. Black introduced Michael Palmer the former Durham County Deputy Manager.

Ms. Black said she was honored to take this opportunity to introduce two new residents of Durham County.

The first speaker was President-Elect Richard H. Brodhead of Duke University. The second speaker was Dr. Victor J. Dzau, Chancellor for Health Affairs and President and Chief Executive Officer of the Duke University Health System.

Ms. MaryAnn E. Black, Associate Vice President for Community Relations, Duke University Health System, told the Commissioners about the two speakers. Ms. Black invited everyone to the Lyon Park Community Center on September 13, 2004 for an ice cream social that Dr. Brodhead will attend. Dr. Brodhead will be installed as the ninth president of Duke University on Saturday, September 18, 2004.

Ms. MaryAnn E. Black provided the County Commissioners information about her boss, Dr. Dzau.

President - Elect Brodhead made remarks about how important it is for Duke University and the Durham community to work together to accomplish great things for the university and the community. It is a necessity that the university and the city cooperate at the highest level. He spoke about the Duke/Durham Partnership and how important the organization is to Duke University and the City of Durham. I come to embrace this partnership and to carry it forward.

Dr. Dzau made comments about who he is and what he cares about. He spoke about the Duke Health System and how he perceives the relationship to be with Durham.

Chairman Reckhow thanked the guests for coming. I hope we can keep an active partnership alive and keep the lines of communication open for all partnerships. We need to talk about the issues through dialogue and not through the press and the newspapers.

Commissioner Heron said we look forward to this partnership continuing with Duke Health System and Durham Regional Hospital.

Commissioner Jacobs said she will be leaving this board in December. I will continue to be a community advocate for the health system and Durham Regional Hospital.

Durham Civic Center Authority Update

The Board of County Commissioners requested to receive an update on the Durham Civic Center Authority, the seven-member board appointed by the City and the County to oversee and monitor the Civic Center facility and operations. The Commissioners were introduced to the Authority's new Chairman, Mr. Rod Abraham. The purpose of the presentation was to inform the Commissioners of the future goals and direction of the Authority, as well as to seek further support from the County as the Authority moves forward in its duties on behalf of the City and County.

Resource Person(s): Carolyn P. Titus, Deputy County Manager, and Mr. Rod Abraham, Chairman, Durham Civic Center Authority

County Manager's Recommendation: The Manager recommended that the Board receive the update and welcome Mr. Abraham as the new Chairman.

Deputy County Manager Carolyn P. Titus was recognized by Chairman Reckhow to introduce this agenda item.

Ms. Titus said she was at the meeting to introduce the new Chairman of the Durham Civic Center Authority. He is going to give you an update on the Durham Civic Center Authority activities and the direction the Authority is moving.

Carolyn Titus asked Jimmy Gibbs to stand and be recognized for his service on the Authority. He has served as Chairman of the Authority for the last ten years. We want to thank him for his outstanding service as chairman. Ms. Titus introduced the new Chairman of the Civic Center Authority, Mr. Rod Abraham. His field of work and accomplishment is meeting planning. His position at the present time is Director of Professional Meeting Planners Network Inc. He has been named as one of the meeting industries most influential people and has continuously held leadership positions. He brings to us a wealth of knowledge and experience. We are pleased to have him chair the Civic Center Authority.

Mr. Rod Abraham thanked Jimmy Gibbs for the time and energy he has spent on the Civic Center Authority. He has done a yeoman's job.

Mr. Abraham said he wanted to take a little time to tell the Commissioners where we are and some of the things I think are important. We have some new members on the Authority who come with business management background. We are on a more business track. This is a big asset and a big responsibility. Sometime, we are going to be a pest because we are going to need help and support. The Authority has a couple of goals we are talking about. We want to look at what our duties and responsibilities are in order to reaffirm them. Probably, within the next month or so, we want to go to the two governing bodies to share with you just what it is you are expecting of us and what we are expecting to do for you. We are starting to do some of the goals. Each authority member is serving as a team leader on one key area of responsibility. One goal is to enhance communications with the management company. The management company owns the hotel and the company leases the air rights for the hotel from the County and City. The Company has a management contract to manage the hotel. In the past, the management company has worked with the City and County. The management company is going to start working directly for the Civic Center Authority because it is our responsibility. We like the management company. They are good people. We want Carolyn Titus to remain on the Civic Center Authority. We want to have stronger communications and involvement with the Convention and Visitors Bureau. The overall objective is to lower the operating subsidy.

The contract negotiations are in process with the management company. There are three contracts that exist between the Shaner Hotel Company and the County and City. The

two contracts under negotiation are the Management Contract and the Catering Contract. We want the Shaner Hotel Company to continue to be the management company. We have turned the negotiation over to the attorneys.

The Commissioners asked questions and made comments about the agenda item.

Time Warner Cable—Results of Survey

Durham County retained Action Audits, LLC to conduct a future cable-related needs assessment and associated franchise renewal services. Action Audits was hired to incorporate a mail survey into Durham County's needs assessment to collect valid data regarding community cable-related needs and interests of Durham County, including opinions on customer service, future technologies, and positions on government, educational, and public access programming. The mail survey will enhance compliance with requirements of the Cable Act and maximize Durham County's options under the law. The Cable Act requires public participation in the renewal process.

The needs assessment survey was mailed to 8,000 randomly-selected households drawn from the County's tax database. 1,173 surveys were returned, which generated a high response rate of 15%, producing a 99% confidence interval with a sampling error of only +/-1.5%.

Action Audits discussed the survey results with the Board of Commissioners.

Resource Person(s): Bob Sepe, Consultant, Action Audits

County Manager's Recommendation: The Manager recommended that the Board receive and discuss the information.

Mr. Bob Sepe made a presentation to the Board of County Commissioners. His remarks dealt with the highlights of the survey.

The Board of County Commissioners asked questions and made remarks about the survey. Action Audits, LLC did for Durham County.

Mr. Bob Sepe and Attorney Chuck Kitchen responded to the questions and comments.

Mr. Sepe said the next step is to set up the interviews and proceed with the documents review and the public hearing. We will finish the process by the end of the year. The draft will be formulated after the public hearing.

There are two parts to the process. The Cablevision Ordinance will be updated which will apply to any company coming in. The second part of the process is the franchise with Time-Warner. County Attorney Chuck Kitchen detailed the two parts for the Commissioners.

Substance Abuse Treatment Analysis and Planning Report for Durham County

To address the need for designing the substance abuse treatment system for Durham County, The Durham Center enlisted the assistance of Durham Health Partners, a private local nonprofit health planning organization, and the Technical Assistance Collaborative Inc. (TAC) to provide expertise on service system analysis and design. TAC is a nonprofit national organization that works to achieve positive outcomes on behalf of people with disabilities or other special needs by providing state-of-the-art information, capacity building, and technical expertise to organizations and policy makers in the areas of mental health, substance abuse, developmental disabilities, human services, and affordable housing. The project requirements included:

- an analysis of the current community situation related to substance abuse treatment services for all populations in Durham County, not simply those targeted by The Durham Center's mandate; and
- specifications for an ideal treatment system that:
 - adheres to state requirements and "best practices";
 - addresses needs in a "continuum of care" for substance abuse; and
 - recognizes ASAM levels of care and best practices as identified in the state plan, the Center for Substance Abuse Treatment (CSAT), and the Treatment Improvement Protocols (TIPs) issued by CSAT.

A situation analysis involved:

- the establishment of a "steering" group representative of key local stakeholders;
- a SWOT analysis;
- patient and staff focus groups; and
- over 35 interviews with health care and substance abuse providers, community and political leaders, citizens, law enforcement, schools, and faith based organizations.

The process was designed to identify and evaluate what is currently in place, how programs interface, assess incidence and prevalence data, document best practice, assess how clients access substance abuse services, and recommend strategic actions within the context of public policy.

The report concludes with the following Summary of Recommendations for Durham County Services and Programs:

- develop comprehensive outpatient treatment programs (equivalent to the ASAM Level II.5) criteria;
- create a residential capacity for both adults and adolescents;
- support, enhance, and solicit new addiction treatment providers to enhance the gaps in the exiting service continuum for the service area;
- ensure all existing crisis center/intake points have Certified Substance Abuse Professionals assigned to the crisis assessment service to ensure accurate assessment, diagnosis, and appropriate placement of all substance related conditions;

- ensure that clients admitted for services within the continuum of care meet the target population requirements as outlined by state and federal requirements for public funding; and
- develop and enhance relationships with the self-help community to ensure effective peer and family support for recovering clients.

Resource Person(s): Interim Area Director Ellen Holliman; LME Medical Director Dr. Al Mooney; Area Board Chair Doug Wright; and former Executive Director of Health Partners Tom Gambill

County Manager's Recommendation: The Manager recommended that the Board receive the presentation and advise staff if any additional information is necessary.

Chairman Reckhow recognized Interim Area Director Ellen Holliman to introduce this item.

Chairman Reckhow said this subject has been a priority for this Board and I am glad that we are going to get a report on this. The Mental Health Board received an update at our last board meeting.

Ms. Holliman thanked the Commissioners for the opportunity to share the report with the Board of County Commissioners. During the County Commissioners' retreat earlier this year, substance abuse was identified as one of our top priorities for this community. Also, as a part of the Results Accountability effort that you are supporting, substance abuse is identified as one of the major areas for the subcommittee on healthy people. In our area of responsibility, it is one of the top priorities as well for the Area Board. So given all of that, we have been very busy this year; not only with mental health reform but moving forward in terms of an effort to see what it is we can do in this community for substance abuse. We realize that substance abuse is not a Durham Center problem. It is not a Board of County Commissioner problem. This is a problem for our entire community. With that in mind, we solicited the effort of Durham Health Partners to help us with a planning report as to how to tackle this complex issue for our entire community. The report was from Tom Gambill who assisted the Technical Assistance Collaborative, Inc., a national group that specializes in substance abuse and other mental health issues. They did an analysis of our Substance Abuse program in Durham County.

Ms. Holliman said that you will also hear from Dr. Al Mooney, who is the LME Medical Director for The Durham Center. Dr. Mooney is a physician who comes with a lot of experience over the last 20 plus years. He was from the John Umstead Hospital where he worked in the Alcohol and Drug Abuse Treatment Center. He is the Medical Consultant for the Healing Place in Raleigh. Dr. Mooney has been recognized in Business North Carolina as one of the best doctors in North Carolina in July 2002 and July 2004. He was also recognized as the best doctor in America in 1992. Dr. Mooney is the author of a book on recovery. We are very fortunate to have Dr. Mooney on the staff at The Durham Center.

Mr. Doug Wright, Chairman of the Area Board, and Board Member George Quick were present.

Ms. Holliman introduced Tom Gambill who gave the Commissioners an analysis of the report.

Dr. Al Mooney talked about next steps.

Commissioner Heron said she was disturbed over some of the findings in the report. She commented that on the Steering Committee, she did not see any representatives of Alcoholic Anonymous. Representatives of Alcoholic Anonymous should be on the Steering Committee.

Ms. Holliman responded to Commissioner Heron's comment. She said there are many partners that should be at the table. As we move forward, we will be sure that all the stakeholders are in this process. This is the first step to identify the issues and problems.

Mr. Tom Gambill, Former Executive Director of Health Partners, made his presentation. He began his presentation by responding to Commissioner Heron's comments.

Mr. Tom Gambill's presentation was titled, "Designing the Substance Abuse Treatment System for Durham County, NC and the Durham Center".

The following key points were highlighted in the presentation:

- TAC Report – Implementation Strategy – September 7, 2004
- Reformation of the local care system
- Recommendations
- Foundation Building
- System Improvement
- Service Development
- Progress to date
- Strategic plan
- Beyond the TAC
- Pillars for a system of recovery in Durham
- Phases of Implementation

The Board of County Commissioners asked several questions about the presentation material.

Mr. Tom Gambill responded to the questions.

Dr. Al Mooney, LME Medical Director, spoke about the vision for The Durham Center.

Discussion of Possible Statewide Legislative Issues for NCACC

The North Carolina Association of County Commissioners asked local governments to submit a list of statewide legislative initiatives for possible inclusion in the organization's 2005 Legislative Goals. Staff has polled department heads for potential legislative items. Following the Board's direction to staff, a final list will be provided to the North Carolina Association of County Commissioners. The deadline is September 15.

Resource Person(s): Deborah Craig-Ray, Public Information and Governmental Affairs Director, and County Attorney Chuck Kitchen

County Manager's Recommendation: The Manager recommended that the Board discuss and direct staff regarding the 2005 Statewide Legislative Issues.

Chairman Reckhow said we received a letter from the North Carolina Association of County Commissioners, saying they are going to be initiating a legislative goals process and do we have any ideas. This isn't our legislative goals process. It is more feeding in and providing input to the Association as they look at adopting their legislative goals. We will go over the 2005 Statewide Legislative Issues. It will be put on the Consent Agenda for final approval. This is the initial discussion. The deadline is September 15.

Chairman Reckhow recognized Deborah Craig-Ray, Public Information and Governmental Affairs Director, and County Attorney Chuck Kitchen for their presentation.

The Proposed 2005 Legislative issue

- Seek legislation to impose an Impact Tax to fund School Construction. Modeled after 2001 House and Senate Bills. "An Act to authorize Counties to Levy a Tax on Land Development to Pay Part of the Costs of School Capital Facilities."
- Seek legislation to eliminate the so-called Second Primary (Mike Ashe) Request is for legislation to eliminate run-off election and the 40% plus one requirement (substantial plurality). Historically, the turnout for second primaries is in the low single digits. Durham County's most recent 2nd primary cost approximately \$50,000 and the State Board of Elections estimates its cost \$3.5 million.
- Seek legislation to enable Counties to limit jail inmate healthcare costs by requiring any provider to charge county jails the same reimbursement rates that it receives from the Workers Compensation program. (Brian Letourneau) Modeled after Colorado, "An Act Concerning Persons Convicted of a Crime and in Connection therewith waiving certain fees, establishing reimbursement rates for medical care and authorizing medical care in county jails".
- Seek legislation to allow all counties to enact any or all of several revenue options from among those that have already been authorized for any other county. Modeled after 2001 HB99 "An Act to Authorize Counties and Cities to Levy a Menu of Local Option Taxes If Approved by the Voters,"

- Seek legislation to create an ongoing funding stream to provide Mental Health/Development Disabilities/Abuse Services to indigent citizens. (Ellen Holliman) Add to an existing tax or create a new one earmarking the funds to provide care for indigent who currently are being denied care, which ultimately results in higher costs for hospitalization and crisis response.
- Public-Private Partnership; Seek legislation to allow the County to enter into public-private partnerships in the development of land and sale of properties.
- Seek educational reimbursement from counties sending youth to County Youth Homes or group homes at rate equal to our educational per capita cost.

The Board of County Commissioners had a general discussion about the proposed 2005 Legislative issues with the staff.

Chairman Reckhow suggested that the phrase, “add to an existing tax or create a new one”, could sound inflammatory.

What the Commissioners want is a stream of dedicated money for indigent mental health care.

Commissioner Cousin said the phrase could be a new and ongoing revenue source.

Chairman Reckhow requested that the staff rephrase the statement to make it sound less inflammatory.

Chairman Reckhow wanted to know the comfort level of the Commissioners regarding the seven statewide legislative issues. She wanted to move the agenda item to the next meeting. We would be asking the Association to consider this as a part of its goals.

Vice-Chairman Joe W. Bowser said he did not have a comfort level with number three. The reason being is that it is modeled after the Colorado legislation and these people under this legislation have been convicted of a crime, whereas the people in the jail have been accused of a crime. You will find some innocent people in the jail.

Vice-Chairman Joe Bowser said he believes that some discussion needs to be done on this subject before we move forward. I picked up on what the attorney said about the Medicaid side of it. It is obvious that there is going to be a problem later down the road. He said he understands the Workers Compensation program side. There is another side you have to look at.

Chairman Reckhow suggested the wording be changed.

Vice-Chairman Joe Bowser agreed to take the “modeling sentence” out of the legislation.

Something needs to be said about the Medicaid side of it. It is to make sure that the services are provided if this passes and becomes the policy of this community.

Chairman Reckhow asked County Attorney Kitchen to look at some additional wording to control cost, not to limit access.

County Attorney Chuck Kitchen said being arrested has a very negative consequence for your health care and it doesn't necessarily need to be and that is how the current system is set up.

Chairman Reckhow said that we have seven legislative issues with amendments to numbers three and five. We will put the agenda item forward to the next meeting.

Commissioner Heron said the Commissioners need to meet with the legislative delegation to see what they did to help us in the last session and what happened in the legislature.

Chuck Kitchen suggested that the meeting be held in mid-November after the final results of the election is known.

Commissioner Heron said we need to get ready for the long session.

Review Interlocal Cooperation Agreement for the Collection of Taxes Between County and the City of Durham.

Review the interlocal agreement for property tax collections.

Resource Person(s): Kenneth L. Joyner, Tax Administrator

County Manager's Recommendation: The Manager recommended that the Board review the interlocal.

Chairman Reckhow recognized Kenneth L. Joyner, Tax Administrator, for his comments and answers to questions.

Chairman Reckhow asked Kenneth Joyner to give the Commissioners a perspective in terms of how much we get from the 1% that is provided for and how much we get from the extra bonus for going over the 97 %.

Kenneth Joyner responded that the 1% equals \$828,973.54. The bonus was \$213,915.73. That is over \$1.04 million. Kenneth Joyner said he is of the opinion that it is a reasonable collection fee looking at the work load we have and looking at the agreement that similar counties have. We are in a good position with our agreement.

The Board of County Commissioners asked several questions and made comments.

Kenneth Joyner responded to the questions and comments.

The City of Durham approved the interlocal agreement in June 2004. We are waiting for Durham County to sign the agreement. Everything at this point is working on the assumption that the City and County will enter into an interlocal agreement for tax collections. Everything will be authorized.

Chairman Reckhow said the agenda item will be moved forward to the next meeting.

Health Insurance, Dental Insurance, Long Term Care Insurance for 2005

The Human Resources Department received the proposals for health, dental, and long-term care insurance plans for the 2005 benefits year. All rates and plans would be effective January 1, 2005. The RFP process objective was to offer employees options for lower monthly premiums for families. Proposals have been received from three vendors for health insurance, six vendors for dental insurance, one vendor for stand-alone vision coverage, and one vendor for long-term care insurance. Renewal rates were submitted with increases from 15% (WellPath) to 34% (CIGNA). Proposals were submitted for a self-insured health plan.

Resource Person(s): Debbi Davidson, Benefits Manager, and Jackye Knight, Human Resources Director

County Manager's Recommendation: Review proposals and rates and provide direction for final plan design.

Chairman Reckhow recognized Debbi Davidson, Benefits Manager, to give a presentation to the Board of County Commissioners about employee insurance for 2005.

Summary

As a result of the Benefits RFP, Durham County Government received the following proposals for employee benefits:

- Health Insurance *
 - CIGNA
 - WellPath
 - Blue Cross/Blue Shield (NCACC)

- Dental Insurance
 - CIGNA (Self Funded)
 - BlueCross/Blue Shield (NCACC)
 - NC Mutual Life Insurance
 - Met Life
 - CIGNA (PPO – Fully Insured)
 - Delta Dental
 - Allstate

- Vision Coverage Opticare
- Long Term Care Insurance Met Life

*A proposal for health insurance from United Health Care was delivered after the deadline.

When the proposals were received, the NCACC (North Carolina Association of County Commissioners) included a Self-Funded option as one of their proposals. The rates projected for this coverage were attractive. As a result of this information we requested the other two vendors also submit proposals for this arrangement. We received a proposal from WellPath, but CIGNA did not deliver their proposal to the Purchasing Department before the deadline.

Options

The field for health care options was narrowed to four for further consideration. Cigna was eliminated from consideration because of their rates.

Option 1 is a proposal for WellPath to be the sole provider of health insurance with a high and low option. The high option, which is very similar to our current plan, is an average of 18.8% higher than current WellPath rates and 15.2% higher than current CIGNA rates. The low option is 2.5% higher than current WellPath rates and 0.7% lower than the current CIGNA rates. This option would require 58% of our employees to migrate to this plan.

Option 2 is a proposal for Blue Cross/Blue Shield to be our sole provider of health insurance with a 100% option and an 80% option. The 100% option is more comprehensive than our current plans and the 80% option is significantly less comprehensive than our current plan. The high option is an average of 27.7% higher than current WellPath rates and 23.7% higher than current CIGNA rates. The low option is 4.1% lower than the current WellPath rates and 7.1% lower than current CIGNA rates. This option would require that all employees migrate to this plan.

Option 3 is a proposal that would offer WellPath and Blue Cross/Blue Shield as options for employees. This is the option recommended by the Benefits Committee. This option provides the most choice with the lowest increase in premiums. The only possible issue with this proposal is that if any option has less than 10% employee participation, that option would be withdrawn and the plan would only offer the other option. We would not know this until after Annual Enrollment was completed. If this occurred, we would have to reopen Annual Enrollment to accommodate those employees who have chosen the option no longer offered. This option would also require 58% of the employees to change to either WellPath or BC/BS.

Option 4 is a proposal that offers the same plans as in Option 2 or Option 3 for Blue Cross/Blue Shield; however the rates are significantly less. This option would mean a

change in how the County funds Health Insurance. We would need to build reserves for Incurred But Not Reported (IBNR) claims. With a self funded option, we would only be able to offer one vendor.

Recommendations

In order to receive input from employees, a Benefits Committee was assembled. Each Department Head was requested to appoint a representative to this committee. All proposals were then discussed by this group and a consensus recommendation developed. Committee members were encouraged to discuss these proposals with their departments and to provide feedback.

The Benefits Committee made the following recommendations:

- Health Insurance – WellPath and Blue Cross/Blue Shield.
- Dental Insurance – Blue Cross/Blue Shield
 - Offer another option with higher premiums and higher annual maximums.
- Vision Coverage – Offer a Supplemental Vision Coverage if possible
- Long Term Care Insurance – Continue coverage under UnumProvident

The Benefits Committee felt strongly that employees should be provided a choice between two different insurance companies even though the total replacement proposals provided a choice between a high and low option.

The Benefits Committee also felt that having every employee change health insurance would be problematic, especially for those who would have to change doctors due to their doctor not being “in-network”. There were also some concerns about the perception that Blue Cross/Blue Shield was slow to pay providers.

Future Considerations

Health insurance for employees is an issue that has received much discussion in the last few years. We read each day that more employees are unable to afford the plans for employees they have had. Each year, as we negotiate our rates, we see double digit increases and more and more of the expense of health insurance falling on the employee. We hear from our employees that they cannot afford to cover their families because the premiums are so high.

Employees are trying to respond to these concerns by implementing Consumer Driven Health Plans, Healthcare Saving Accounts and other options. We have a Hospital Gap Plan that has saved the County a considerable amount compared to the premiums we would have paid.

As we consider these options, we will need to develop a strategy and an education plan for employees to help transition to new ways of thinking about and using health

insurance. HAS'S (Healthcare Savings Accounts) require a health insurance plan with a minimum deductible of \$1,000. This is a significant change from our current plans. If this is a direction we would consider, we would need to start the planning process now for implementation in 2006.

The County Commissioners asked several questions and made comments about the insurance coverage.

Debbi Davidson answered the questions for the Commissioners. She also responded to the comments.

Debbi Davidson commented that the employees will be given an extensive educational process so they can learn about high or low options and what that means to the employees if they go to the doctor or enter the hospital for surgery or out-patient services.

Chairman Reckhow, with the concurrence of the Commissioners, directed staff to move this agenda item to the next meeting.

Debbi Davidson told the Commissioners this agenda item will be on the September 27, 2004 Regular Session for approval by resolution.

Setting Date to Meet With the Auditors

The Commissioners set the following dates to meet with the auditors:

- First Choice - September 13, 2004: From 5:00 p.m. to 6:00 p.m.
- Second Choice - September 20, 2004: From 2:30 p. m. to 3:30 p.m.

The purpose of the meeting is to hear from the consultants regarding what they found as it relates to benefits and last year's Management letter.

Closed Session

Commissioner Cousin moved, seconded by Commissioner Jacobs, to adjourn to closed session pursuant to G.S.143.318-11(a)(6) to consider the competence, performance, or fitness of a public officer or employee.

The motion carried with the following vote:

Ayes: Cousin, Heron, Jacobs, Reckhow
Noes: None
Absent: Bowser (out of the meeting room when vote was taken.)

Adjournment

There being no other business, Chairman Reckhow adjourned the meeting at 5:10 p.m.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board