

**MINUTES
LINCOLN COUNTY BOARD OF COMMISSIONERS
MONDAY, SEPTEMBER 18, 2000**

The Lincoln County Board of County Commissioners met in regular session on September 18, 2000 at the Citizens Center, Commissioners Room, 115 West Main Street, Lincolnton, North Carolina, the regular place of meeting at 6:00 PM.

Commissioners Present:

James A. Hallman, Chairman
Terry L. Brotherton, Vice-Chairman
Beth H. Saine
W. J. Waters, Jr.
John R. Gamble, Jr.

Others Present:

Stan B. Kiser, County Manager
Jeffrey A. Taylor, County Attorney
Amy S. Long, Clerk to the Board
Lee Lawson, Land Use Coordinator
Candace Ramseur, Development Technician
Barbara Carpenter, Code Enforcement Officer

Call to Order: Chairman Hallman called the meeting to order.

Invocation: Dr. James Reeves of Pisgah United Methodist Church gave the Invocation.

Pledge of Allegiance

Adoption of Agenda: UPON MOTION by Commissioner Waters, the Board voted unanimously to adopt the agenda as presented.

**AGENDA
LINCOLN COUNTY BOARD OF COMMISSIONERS
SEPTEMBER 18, 2000**

6:00 PM	Call to Order
6:00 PM	Invocation – Dr. James Reeves, Pisgah United Methodist Church
6:00 PM	Pledge of Allegiance

1. 6:00 PM Adoption of Agenda
 2. 6:00 PM Approval of Minutes
 - September 11, 2000
 3. 6:05 PM Consent Agenda
 - Tax Requests for Releases
 - Less than \$100 – July 16 – August 15, 2000
 - More than \$100 – July 16 – August 15, 2000
 - Tax Requests for Refunds
 - Less than \$100 – July 16 – August 15, 2000
 - More than \$100 – July 16 – August 15, 2000
 - Budget Adjustments 17 & 19
 - Water Customers Requesting Adjustment
 - Water Customers Requesting Late Pay Penalty Removal
 - Waived Fees for Center Usage
 - BPW – Miss Lincoln County Apple Queen Scholarship Pageant
 - Waived Fees for Center Usage and Grand Piano
 - Miss Lincoln County Scholarship Organization
 4. 6:10 PM Public Comments
 5. 6:25 PM Lincoln Health System Affiliation Process – Jim Perry
 6. 6:40 PM Lincoln County Board of Education – Land Acquisition – Betty Lawing
 7. 6:50 PM Resolution Establishing October 7, 2000 as a Day of Remembrance for Lincoln County Veterans of the Korean War – Dale Punch
 8. 7:00 PM At this time, the Board of Commissioners will recess the September 18, 2000 meeting and open the September 18, 2000 Board of Variance and Appeals Meeting.
 9. 7:30 PM Vacancies
 10. 7:35 PM Appointments
 11. 7:40 PM Calendar
 12. 7:45 PM County Commissioners' Report
 13. 7:55 PM County Manager's Report
 14. 8:05 PM County Finance Officer's Report
 15. 8:15 PM Hospital Report
- Adjourn

Approval of Minutes: Chairman Hallman presented a corrected copy of the minutes of the September 11, 2000 Board of Commissioners meeting. Chairman Hallman asked if there were any substantial changes in this corrected copy of the minutes.

Amy Long, Clerk, stated that only typos were changed.

UPON MOTION by Commissioner Waters, the Board voted unanimously to approve the minutes of the September 11, 2000 Board of Commissioners meeting.

Consent Agenda: Chairman Hallman presented the consent agenda for the Board's approval.

UPON MOTION by Commissioner Brotherton, the Board voted unanimously to approve the Consent Agenda as presented.

RELEASES FOR JUNE 16TH THRU JULY 15TH, 2000

MORE THAN \$100 - VEHICLES

NAME	YEAR	A/C NO	AMOUNT
Bell, Rainie Locke	1999	0137446	\$102.79
Beth Haven Baptist Church	2000	0067500	\$197.16
Carpenter, James Edwin	2000	0144498	\$173.38
Cherry, John M.	2000	0128651	\$208.98
Conner, Joel	2000	0137234	\$138.10
Dean, Kenneth Jeffrey Jr.	2000	0129323	\$366.20
Dixon, Kenneth Robert	1999/00	0113594	\$303.42
Donlen Corp.	1999	0071152	\$420.88
Donlen Corp.	1999	0071152	\$186.50
Duckworth, Joshua Lee	1999	0143753	\$192.58
Gable, Susan Tucker	1999	0111698	\$116.55
Hawkins, Jessie Lee	1999	0143632	\$116.40
Holmes, Scott Christopher	1999	0084290	\$130.49
Hoyle, Andrea Nicole Ballard	1999	0129055	\$139.73
Hoyle, Donnie Gene	2000	0088241	\$199.93
Lee, Jimmy Ray Jr.	2000	0144500	\$151.48
Lynch, Wilma G.	1999	0098660	\$125.52
Pentagon/Eby Brown	1999	0143070	\$504.71
Philbeck, Dwight D. Jr.	2000	0122448	\$104.30
Proctor, Vance Calvin Jr.	1999/00	0143064	\$156.64
Rhyne, Martin Luther Jr.	2000	0106639	\$108.57
Smith, David Bradshaw	2000	0093385	\$249.44
Three Oak Trust	2000	0144467	\$301.32
VT Inc. as Tstee World Omni	2000	0126435	\$259.70
Wilkinson, Deborah Pittman	1999	0143834	\$115.79
Wise, Wayne Russell	1999	0129078	\$131.27
		TOTAL	\$5,201.83

LESS THAN \$100 – VEHICLES

NAME	YEAR	A/C NO	AMOUNT
Abernethy, Judith W.	2000	0067538	\$28.93
American Concrete Products	2000	0088156	\$49.19
Aragon, Axel	1999	0134060	\$19.56
Arwood, Jordan	1999	0136174	\$11.31

Atwood, Larry Steven	1999	0143780	\$62.01
Avery, Mary Wright	1998	0077618	\$11.31
Baldwin, Russell E.	1999	0141723	\$11.97
Barker, William Richard	1999	26507	\$19.97
Barnes, Robert Arthur	1999/00	0143637	\$74.72
Bartholomew, Dennis M.	2000	18197	\$42.18
Beaver, Jessie Mack	1999	06163	\$33.77
Bentley, T. R. Jr.	1999	12561	\$18.10
Black, Jimmy Dean	1999	0119747	\$3.66
Black, Seth Aubrey	1999	0142328	\$91.73
Bowling, Robin Leah	1999	0143525	\$29.51
Boyles, Phillip M.	1999	0130126	\$10.00
Brackett, Harold D.	2000	01264	\$8.97
Burgin, Randy Horace	1999	0122643	\$24.06
Burrows, Donald M.	1999	0117511	\$40.57
Busque, Wana Madrid	1999	0144251	\$19.99
Byrd, Debbie W. (Joel D.)	1999	32851	\$52.00
Caldwell, Harold S. Sr.	1999	30122	\$23.21
Campbell, David Wayne	1999	0082167	\$32.24
Canipe, Max Clifton	2000	11530	\$2.40
Carpenter, Barry Scott	2000	0126316	\$55.71
Carver, Richard L.	1999	0139339	\$58.60
Caylor, Willard L.	2000	0104065	\$29.05
Cody, Janice Ophelia	1998	0071859	\$27.20
Cook, Mitchell Gregory	1999	0100293	\$50.57
Coolsprings Enterprises Inc.	2000	0143874	\$40.30
Cordell, Larry Eugene	1999	0093890	\$20.63
Cowden, William W.	1999	0141515	\$40.12
Craddock, Brian Lee	2000	0144596	\$30.74
Craig, Benjamin Wayne	2000	0081202	\$32.32
Dade, Leola Thomason	1999	0104155	\$40.34
Dellinger, Bobby W.	1999	29542	\$55.43
Drum, Joe Dean	2000	0066175	\$16.70
Duncan, Richard Wellington	2000	0137517	\$83.79
Gales, Gary Ray Lee	1999	0094448	\$34.58
Garcia, Carlos Reyes	1999	0132815	\$45.80
Gilmore, Karen Riddle	1999	0131227	\$68.84
Gold, Roger Dale	1999	0123896	\$29.37
Gordon, Johnny Douglas	1999	0143851	\$54.24
Grant, Brande Michelle	1999	0143813	\$36.67
Griffin Buic Pontiac GMC Tk	1999	0100353	\$19.20
Grossheim, Richard Harding	1999	0143542	\$34.73
Guido, Alberto Marchena	1999	0143398	\$17.66
Hagens, Diane Boback	1999	0143630	\$24.72
Hall, Elliott Eugene Jr.	1999	0081594	\$72.05
Hall, Raymond Dean	1999	0131468	\$16.99
Hammond, Rebecca Lynn	1999	0143442	\$16.14
Heavner, Joel D.	1999	02114	\$44.88
Hill, Jennifer Hope	1999	0142857	\$27.95
Holmes, Alan	1999/00	0098644	\$57.51
Houser, Pearl	1999	18161	\$8.76
Humphries, Cynthia G.	2000	0135835	\$51.57
Hurtago, Jaime Alberto	2000	0066993	\$18.40
Iddings, Joe Miller	2000	0078391	\$21.38
Inman, George Wayne	1999	0108044	\$6.44
Jenkins, Johnny R.	1999	0099972	\$25.87

Johnson, Angela Diane	1999	0142912	\$5.93
Jones, Patricia Sluder	1999	0129124	\$4.63
Karlson, Robert A.	1999/00	0100791	\$34.24
Killian, Timothy Scott	1999	0075385	\$56.10
Lambirth, Jimmy Albert	1999	0072619	\$9.57
Lane, Wiley Michael	2000	0069307	\$35.55
Lawrence, Peggy Branch	1998	0074631	\$16.77
Leitch, William Earl	1999	0106920	\$57.91
Leviner, Becky Kilimnik	1999	0142274	\$6.83
Lindsey, Melinda Halley	1999	0089901	\$20.61
Lopez-Fernandez, Jorge	2000	0144396	\$31.24
Lunceford, Stephanie Jon	1999	0075687	\$30.88
Lynch, Boyce Albert	1999	0094984	\$35.26
Mace, Paul W.	1999	0119363	\$2.28
Mason, Ernest M.	1999	0098479	\$9.51
Mayo, Danny F.	1999	0110389	\$28.12
McCall, Anita Branch	1999	0136438	\$23.31
Mundy, Curtis Lee	1999	0102157	\$23.15
Muniot, Betty Jones	1999	0109750	\$49.45
Payne, Gerald C.	1999	0138083	\$50.27
Pendleton, Steve Broudis	2000	0107617	\$23.02
Pfohl, Leonard S. Jr.	1999	0128789	\$26.60
Phil Parsons Racing	1999	0114266	\$34.79
Pope, Sheridan Lee	1999/00	0093730	\$4.43
Powell, Robert C. (PA)	1999	25819	\$32.32
Pugh, Herbert Daniel	1999	0143514	\$19.38
Queen, Gary D.	1999	0105841	\$29.32
Rhodes, Johnny Edgar Jr.	1998/99	0132647	\$41.61
Rhyne, Robert Wesley Jr.	1999	0105527	\$5.07
Richardson, Christopher Jody	1999	0080983	\$82.24
Scheffer, Ranna Jo	1999	0135558	\$14.04
Sepahrom, Lisa Couet	1999	0130942	\$24.38
Sherrill, Aubery Gene	1999	09013	\$32.48
Shoemaker, Ronald R.	1999	0131797	\$20.99
Smith, Daniel Eugene IV	1999	0128471	\$46.39
Smith, L. C. Jr.	1999	0084937	\$41.31
Spradley, Nannie Lou	1999	0106855	\$13.05
Stanley, Shannon Dale	1998	0135664	\$29.36
Stewart, Christopher Gordon	1999	0143828	\$91.00
Stewart, Harold Brian	1999	0139039	\$57.24
Tallent, Harold Eugene	1999	0096606	\$6.88
Tar Heel Construction	1999	0112464	\$56.63
Thompson, Evelyn Otero	1999	0119973	\$22.33
Towery, David James	1999	0088114	\$8.36
Tunstall, Debra V.	1999	0134241	\$15.28
Vinson, Charles Huston	1999	0116872	\$14.22
Wease, Glen Darrell	2000	0095644	\$13.80
White, Lewanne Neal	1999	0143751	\$20.17
Whitley, Jerry	2000	21970	\$2.43
Willard, William	2000	0066256	\$15.34
		TOTAL	\$3,412.68

MORE THAN \$100

NAME	YEAR	A/C NO	AMOUNT
Depaul Community Facilities	2000	0140674	\$12,851.51
Harbor House Old Marker 16	1999	0133299	\$763.13
Sadler, Danny	1999	0090720	\$143.01
		TOTAL	\$13,757.65

LESS THAN \$100

NAME	YEAR	A/C NO	AMOUNT
Burford, Jesse Lamar	1997	0110960	\$68.80
Fowler, Carl E.	1999	36155	\$63.50
Johnson, William Lee Sr.	1999/00	18808	\$19.56
Lanier, Max Truman II	1996-00	0092012	\$15.59
McSwain, Thomas Edward	1999	0086075	\$15.25
Scronce, Lori Michael	1999	46153	\$20.91
Smith, Ronnie	1999	10470	\$2.17
Summers Robert School	1999	0133321	\$50.88
Trent, Clinton Dewayne	1999	0127569	\$77.02
		TOTAL	\$333.68

LINCOLN COUNTY TAX DEPARTMENT
ANNUALS

REQUEST FOR REFUNDS

PERIOD COVERED (July 16 – August 15, 2000)

G.S.#105-381(B) ALL REFUNDS LESS THAN \$100.00
(and) #105-325 including (A) (6)

NAME	YEAR	DIST	A/C#	AMOUNT
Brooks, Sheila E.	2000	N321	31220	\$5.97
Caldwell, Benny Lee	2000	N321	0076996	24.99
Campbell, Johnathan M.	2000	DFD	0075187	63.53
Carnes, James G. & Bertie	2000	BCFD	11558	4.41
Crouse, Michael	1999	ALFD	12549	33.99
First Federal Savings & Loan	2000	UNFD	0076819	13.16
Forney, Mae Sue	1999	BCFD	17197	6.70
Fowler, Carl E.	1999	BCFD	36155	65.88
Gaston Federal Savings & Loan	2000	ALFD	37811	15.12
Guill, Richard	2000	ELF/ELSD	0060665	1.39
Haynes, Ray E.	2000	NBFD	38156	1.85
Johnson, Diane M.	2000	ELFD	0134650	26.87
Johnson, Diane M.	2000	ELFD	0134650	8.37
Kenneth Tucker Builders	2000	DFD	0098226	81.16
Light, Zora Phillips	1999	ALFD	0068632	34.26
Lineberger, Bryan	2000	PCFD	0144173	7.68
Lineberger, Robert K.	2000	PCFD	0123224	7.52
Lingerfelt, Kenneth W.	2000	NBFD	0080960	2.56
Loftin, Jerry & Anne	2000	PCFD	16268	13.90

McLean, Juanita N.	2000	ELFD	21558	3.64
McSwain, Herschel R.	1998	CRFD	10392	33.08
Mincey, David E. II	2000	BCFD	0066172	73.92
Moody, Diane P.	2000	CITY	0124370	12.96
Neal, Bartley E.	2000	CITY	0134295	13.95
Newton, Ricky M.	2000	CRFD	0096273	5.06
Pearson, Roy W. Sr.	2000	SFFD	11330	8.63
Pogorzelski, Conrad R.	2000	DFD	20191	2.38
Puckett, Robert R.	1995	ELF/ELSD	0100173	74.18
S E A Corp.	2000	CITY	0132464	1.73
Seagel, Cecil M.	2000	NBFD	01028	13.87
Sharpe, Susie W.	2000	CITY	0080919	49.25
Sherbert, Larry & Catherine	2000	N321	0134906	3.18
Shull, Jimmy C.	2000	CRFD	03204	3.25
Sibert, Wayne & Peggy	2000	BCFD	15849	1.34
Warlick, Lisa B.	1999	UNFD	0108057	23.02
Wells Fargo Home Mortgage	2000	BCFD	0130925	10.13
			TOTAL	\$752.88

**LINCOLN COUNTY TAX DEPARTMENT
ANNUALS**

REQUEST FOR REFUNDS

PERIOD COVERED (July 16 – August 15, 2000)

G.S.#105-381(B) ALL REFUNDS ANNUAL MORE THAN \$100.00
(and) #105-325 including (A) (6)

NAME	YEAR	DIST	A/C#	AMOUNT
Burleigh, Ferdinand I. II.	2000	DFD	0125256	\$166.44
First Federal Savings & Loan	2000	CRFD	0114049	400.40
Hoyle, Robert M.	2000	NBFD	0121696	143.55
Kelley, Wallace K.	2000	CITY	0138772	230.69
Mashburn, Larry D.	2000	ELFD	20202	190.44
Schappert, Terry & Robin	2000	DF/ELSD	0118134	449.99
Simonini Builders	2000	ELFD	0134870	1,165.00
Toth, Inc.	2000	CITY	0117116	741.93
Watson, Jimmy R.	2000	SFFD	0129410	126.50
Woodhill Apt. Of Lincolnton	2000	CITY	26368	264.32

**LINCOLN COUNTY TAX DEPARTMENT
MOTOR VEHICLES**

REQUEST FOR REFUNDS

PERIOD COVER (July 16 – August 15, 2000)

G.S.#105-381(B) ALL REFUNDS LESS THAN \$100.00
(and) #105-325 including (A) (6)

NAME	YEAR	DIST	A/C#	AMOUNT
Abott, Glenn K.	1999	DF/ESLD	0126072	\$63.70
Accurate Air Conditioning	2000	CITY	0121836	1.14
Barrett, Joseph J. Sr.	2000	ELFD	0122483	12.50
Baxter, John M.	1999	NBFD	0125016	1.74
Beal, Loretta B.	2000	SFFD	0144585	1.66
Beam, Eddy E.	1999	NBFD	00463	1.56
Black, Milton L.	1999	ALFD	0142976	3.51
Britt, Dennis W.	2000	PCFD	0122948	6.47
Burgin, Billy N.	1999	ALFD	0118012	23.00
Corella, Lora Rhinehardt	2000	HCDF	0145424	6.31

Crump, Eric D.	1999	CRFD	0129745	1.60
Dana's Flowers & Gifts	1999	DF/ELSD	0085529	17.21
Duckworth, Harold D.	1999	PCFD	0131289	44.02
Duskus, Stephen E.	2000	DF/ELSD	0065315	15.26
Dyson, Mindy H.	1999	CRFD	0130503	4.90
Emmett, Rodney E.	1999	NBFD	0083384	7.22
Evans, David W.	1999	NBFD	00835	1.62
Flanigan, Stephen S.	2000	PCFD	0089110	25.53
Fredell, Laura	1999	UNFD	0122219	4.58
Gilbert, Joyce L.	2000	CRFD	0083612	19.36
Glynn, Joseph D.	2000	DFD	0132853	41.58
Goins, William L.	2000	CRFD	0066000	1.30
Grant, Jason A.	1999	ELFD	0143440	44.85
Grier, David D.	2000	CITY	0122946	68.94
Grigsby, Jeffrey C.	1999	BCFD	01409668	4.46
Hefner, Jimmy R.	2000	UNFD	0099114	6.75
Helms, Douglas A.	2000	ELFD	0095833	3.23
Helms, William V. Jr.	2000	N321	0091143	13.31
Hicks, Arnold R. & Brenda	2000	SFFD	0118370	1.32
Horne, David W.	1999	ELFD	0067794	27.16
Howard, Troy L.	1999	DFD	18263	7.14
Hunter, Peggy & Alfred K.	1999	BCFD	0141061	2.78
Jarmon, Gary S.	1999	ALFD	0117299	13.44
Loftin, Kevin D.	1999	ALFD	0130363	18.97
Long, Donald & Leslie	2000	PCFD	19557	15.91
Lynch, Robert E.	1999	HCDF	0067786	10.01
Lynch, Robert E.	2000	HCDF	0067786	9.33
McDonald, James A.	2000	ALFD	0068839	19.21
McKeithan, Frederick D.	1999	DFD	0122835	1.91
McLean, Edwin	1999	N321	0091521	2.23
McSwain, William Jr.	1999	CRFD	0142307	11.76
Mitchem, Bobby H.	2000	NBFD	0121649	12.04
Nolen, Evelean H.	2000	CRFD	36792	14.28
Owensby, Russell D.	2000	NBFD	0096703	7.59
Painter, Ronald A.	1999	DFD	0135452	28.98
Patrick, Gary A.	2000	N321	0073422	2.58
Presnell, Loretta C.	2000	SFFD	0066206	1.36
Ray, Tony L.	1999	BCFD	0093136	24.92
Resident Clothing Services	2000	BCFD	0135753	22.54
Reynolds, Barbara T.	1999	NBFD	0132797	6.18
Reynolds, Barbara T.	1999	NBFD	0132797	1.98
Rhodes, Johnny E. Jr.	1998	CITY	0133965	39.93
Richard, Larry S.	2000	HCDF	0117084	1.31
Ross, James R.	1999	BCFD	0101842	7.07
Rudisill, Audrey M.	2000	PCFD	0062005	15.78
Saunders, Joshua D.	1999	ELFD	0143816	69.08
Shiple, Lloyd & Linda	2000	UNFD	0124365	41.61
Simmons, James K.	1999	ELF/ELSD	0139589	7.14
Smith, Louise R.	1999	CITY	0094530	33.23
Williams, Keith H.	2000	HPFD	0125633	3.10
Williams, Wilbert G.	2000	N321	0096075	2.48
Wooten, Donald Lee Jr.	2000	CRFD	47020	3.11

TOTAL \$934.77

LINCOLN COUNTY TAX DEPARTMENT
MOTOR VEHICLES

REQUEST FOR REFUNDS

PERIOD COVERED (July 16 – August 15, 2000)

G.S.#105-381(B) ALL REFUNDS MORE THAN \$100.00

(and) #105-325 including (A) (6)

NAME	YEAR	DIST	A/C#	AMOUNT
Grigg, Nancy G.	2000	CITY	0123735	\$147.62
Griner Fixture Co. Inc.	1999	BCFD	0073589	127.11

Budget Adjustments:

- Budget Adjustment No. 17 increasing expenditure & revenue line items for additional funds for position in Adult Protective Services. Originally budgeted at half-time position but funds are available to increase to full-time.
- Budget Adjustment No. 19 to budget Smart Start funds for "Very Important Parents"

Water Accounts Requesting Adjustment – August 9 – September 11, 2000

Name	Account #	Amount Adj.	New Total	Reason
Debra Armstrong	6140341-00	\$ 19.52	\$ 98.78	Adj. Due to sprinkler use
Elizabeth Born	12243211-01	\$200.20	\$204.56	Leak
James R. Chaves	10220042-01	\$173.65	\$114.47	Leak
Shelly Helms	4051701-00	\$ 34.69	\$ 50.17	Leak
Margie Holmes	9191151-01	\$ 34.47	\$ 79.23	Leak
Steve Maggs	6237051-00	\$209.32	\$177.90	Leak
Fred W. Meyer	10224091-05	\$ 19.54	\$ 55.44	Leak
Anthony E. Parrott	4042511-01	\$163.37	\$113.14	Leak
Gary Peterson	6156311-00	\$ 62.90	\$158.98	Leak

Water Customers Requesting Late Pay Penalty Removal for the Period of July 10 – September 8, 2000

Name	Account #	Requested Amt.	Reason
Joyce Avery	1006571-00	\$5.00	Late Pay Penalty
A. Roy Fleckenstein	10220991-00	\$5.00	Late Pay Penalty
Keith Hager	7005051-00	\$5.00	Late Pay Penalty
Terry Pietsch	10222781-00	\$5.00	Late Pay Penalty
Emily Spaventa	10222911-01	\$5.00	Late Pay Penalty
Joyce B. Wilson	6157011-00	\$5.00	Late Pay Penalty

Waived Fees for Center Usage

- BPW – Miss Lincoln County Apple Queen Scholarship Pageant

Waived Fees for Center Usage and Grand Piano

- Miss Lincoln County Scholarship Organization

Public Comments: Chairman Hallman advised that this was the time the Board of Commissioners would receive comments from the citizens regarding any matter they desired to address.

Tom Burgin thanked the Board members whose terms are expiring for their time and effort. He stated that this is a thankless job, but most public servants try to do the right thing, at least most of the time, and he is sure these members have. He stated that he was just reading the newspaper, and if the newspaper is correct, and he assumes it is, it appears to him that Mr. Perry and Mr. Acker think that they own this hospital over here, because they are, according to the paper, trying to dodge our elected officials. Mr. Burgin stated that he does not appreciate it. He stated that he thought it was in the contract with the hospital that if it got to the place where they could not operate the hospital, it would come back to the County. He stated that he thinks the proof is in the pudding, Hospital Chairman Perry has admitted that they lost millions of dollars for three years and he didn't know anything about it. He stated that the hospital is in debt \$15 - \$20 million, hospital employees having to hire attorneys to get their retirement, they have had numerous lawsuits from employees, and lost a lot of money. Mr. Burgin stated that hundreds of thousands of dollars have been paid to get doctors to come here that did not stay but just a short while. He stated that there was evidence of federal violations of the criminal laws. Mr. Burgin stated that it just appears to him that there is a lot of arrogance and egotism, and money involved in this thing. He stated that one example of arrogance and egotism is the Sheila Parker case. He stated that this was a hospital employee who attempted to tell Mr. Acker and Mr. Perry, and other board members in writing, about federal violations including IRS violations. He stated that Ms. Parker wrote them a letter, he has read the depositions, they paid her no attention so she got a lawyer and sued them. He stated that he doesn't know how much it cost them to settle it, but he knows it was big bucks. Mr. Burgin asked if this is arrogance, ego or what. He stated that we have begged for an independent audit for two years that he knows of, and he thinks that it is going to take the FBI, 20/20, 60 Minutes, and a Class Action Lawsuit and an audit to stop this train. Mr. Burgin stated that as a Police Officer of forty years, he thought he had seen about everything, but he was wrong, he had never seen a crime with 50,000 victims. He stated that every citizen in this county is a victim, because they are taxpayers and they own this hospital. He stated that they have lied to the press, they've mislead people, just a small cash flow problem, well this small cash flow problem has turned into about 20 million dollars, and if this paper is correct, he doesn't know of anybody that's got any sense at all that wouldn't give 30 million dollars for a 30 year lease on a hospital, especially when you owe \$15 to \$20 million of it. He stated that he hates to say these things he has said tonight, but it's the truth, he's read sworn depositions and it is awful. He stated that it really opened his eyes. Mr. Burgin stated that we have got some good people at that hospital, some good doctors, some good employees, and some good board members, but apparently people are just reluctant to get involved.

Sylvia Holmes stated that she lives in east Lincoln County and has a couple of quick comments. She stated that one, she would like to refer back to the recent sewer spill in Lake Norman. Ms. Holmes stated that it was brought to her attention that the Health Department was not notified until almost 24 hours after the initial spill, so it was quite late on Monday afternoon before the cove was posted as being unsafe for swimming. She

stated that she thinks some sort of communication breakdown occurred between the reporting of the sewer spill and the Health Department taking their appropriate action. She stated that she would appreciate the Board looking into the breakdown that happened there. Ms. Holmes stated that she has been away for two or three weeks on vacation and knows that something has been discussed at a Board meeting about boat licensing for boat operators on Lake Norman. She stated that because she lives on the lake and boat on the lake and is very aware of the high increase in boating traffic, particularly on the weekends, she has observed some very, very unsafe boating practices. Ms. Holmes stated that she and her husband both believe that anyone operating a boat on the State's lakes should have some sort of boating license. She stated that exactly how that would be determined she does not know. Ms. Holmes stated that coming from a Girl Scout background and being very safety conscious, when they moved onto the lake, having never owned a powerboat before, they took the power squadron boating course first, then bought the boat, then went on the lake. Ms. Holmes stated that she is afraid that not many people do that kind of thing, and is very much in favor of tighter controls on people being allowed to operate boats on our lake.

Mickey Nutting stated that he appreciates the opportunity to be able to speak, and is also from east Lincoln County. He stated that he is very much in support of the Lake Norman Marine Commission and also the Boater Education, so much so that he took it upon himself to take a Raft-up that they had on the lake the last couple years and got involved in that. He stated that the reason that he got involved was because he thought that was an opportunity for businesses and people in the community around the lake, in the four counties, including our own, to raise money to help boater education. He stated that they were successful in raising \$7,000, which they donated about two weeks ago, specifically for boater education. Mr. Nutting stated that he thinks it is very important that our county play a role in that, and be a help in that. He stated that on a weekend, you probably have anywhere from 5,000 to 8,000 boaters on the lake, half the size, or a third of the size of many of our cities on the weekend. He stated that he thinks we need a group, because there are four counties on the lake, we need a group to come in and coordinate those activities, make the recommendations, and try to do the things that are right for the lake to make it a safer lake. Mr. Nutting stated that he has been boating for forty years, has taken many courses, and is willing to take another one. He stated that there is always something to learn. He stated that it's not just on the few amount of accidents we've had on the lake that have been reported, there's a lot of accidents that happen out there that are minor that are not reported. Mr. Nutting stated that he would be glad to take any of the Commissioners out on the lake so they can get a first hand view of what takes place out there. He stated that there are no limitations to the boater errors. He stated that this would be like giving everybody a car without teaching them what the signs are.

David Noles stated that he has a concern about the way the Apple Festival is being run. He stated that it's an appointed committee, that's appointed not by the farmers, but he doesn't know who appoints it. He stated that people get on it, and just stay on it, so they are bound to be paid something, because there's a lot of work involved. He stated we have got a lot of dedicated people, but he does not think we have got that many. He stated that his concern is that a few years ago they couldn't sell honey at the Apple Festival, because honey didn't belong there. He stated that he had to threaten to sue the

county and everything else to get honey in there, and now we're bringing honey in here from Boone and Gaffney, South Carolina, and telling the people they're getting local honey. Mr. Noles stated that local honey is only in Lincoln County, not in Boone and not in Gaffney. He stated that he has apple orchards in this county, but they'll go out of the county to buy apples to bring in here, but didn't want him to bring his apples in here and sell them. Mr. Noles stated that we're killing this festival for the reason that there's no \$20 bushel of apples anywhere, \$5 a peck is ridiculous, and it's got to the point where let's see how much we can gouge everybody and you're killing the thing. He stated that they go putting it in the paper that there's 30,000 people here, 20,000 people here. He stated that he had a person that deals with populations for events and he said that there might have been 10,000 here. He stated that you can look at the crowd every year and they're getting smaller. Mr. Noles stated that they are getting \$10,000 from the State to operate the festival and they get money from the people who buy booths.

Being no additional speakers, Chairman Hallman declared the Public Comments Section closed.

Lincoln Health System Affiliation Process – Jim Perry: Chairman Hallman stated asked if Mr. Perry will entertain any questions when he is finished.

Mr. Perry stated that he certainly would entertain questions when finished with his presentation.

Jim Perry, Chairman of the Lincoln Health System Board, gave the following presentation:

Mr. Chairman and fellow Commissioners:

Thank you for the opportunity to speak to you tonight in regards to the affiliation process of the hospital. I have a statement here I'd like to address to the Commissioners if you please. First of all I'd like to express my thanks on behalf of the community to the Board of Directors of Lincoln Health Systems, they've endured through the very difficult time over the past two years and have spent a lot of their quality time, that they should have spent with their families, they have spent to the hospital. I think it would be beneficial now for us to review what has brought us to this point in time. I would like to start with the public hearing that took place last year, you recall the public hearing that you called for that. In that public hearing a message was loud and clear that the residents of Lincoln County did not want their hospital sold. I heard that said several times to me, regardless of price or conditions they wanted the control to remain local and a non-profit hospital, and to be a service to the community regardless of the financial means of the individual. The Lincoln Health System Board of Directors has attempted to satisfy their mandate. As you are aware, it has been a very difficult task, trying to compete with the surrounding large hospital organizations, the reduction in Medicare reimbursement program, and limited number the managed care contracts have contributed to the situation we find our hospital in today. A perfect example of this is the closing of the Nalle Clinic, that Clinic was an institution in our community. These facts are offered to explain the conditions of

the real world the hospital is trying to survive in and succeed. In March of this year, Lincoln Health Systems Board of Directors faced the reality that the hospital could not survive given limited access to capital in the environment that existed around us. They instructed me to form a committee to investigate the question of affiliation. I appointed the following committee to explore that question. Mr. Bob Tull, who served as Vice-Chairman on the Board, Bob has extensive management experience with Timken Company. Ms. Beverly Smith who serves as Secretary/Treasurer of the Board, and who is comptroller of the Cochrane Furniture Company, Ms. Smith has the financial background that will be needed to examine the opportunities. Also Ms. Smith is serving on the Board for five years and she has the basic understanding of the financial operation of the hospital. Recognizing the County Commissioners would be involved, I asked Mr. Hallman to serve on that committee, being he has been on the Board for six years. Now it stands to reason, that we are operating a hospital, that we should have some physicians on that committee. So, I asked Peter Fortkhort, who is the Chief of Staff, representing all the physicians who have privileges at the hospital to serve with on the committee. Dr. Gordon Crowell, who has been a pillar in the community and has devoted his life to the wellness of Lincoln County. Knowing that many private physicians are serving in the community, I asked David Pascoe to represent the private physicians. At our first meeting in March, we quickly recognized we needed an expert advice to deal with the complicated subject. We reviewed several proposals of healthcare consultants and agreed on Mr. Gene DePorter of Healthservice located in Cary, North Carolina to be our consultant. He has done an excellent job leading the committee through a maze of regulations and a very complex environment. The committee set up a two-stage process, the committee selected nine candidates to pursue affiliation with. They were asked to sign a confidentiality agreement prior to entering into the process and seven of the nine did so. The next step was to ask for information from the candidates to evaluate their compatibility with Lincoln Health Systems. From this information, the committee selected four candidates to submit a proposal for managed service agreement or lease. There were three responses that completed the request for proposal. At each stage of the process, a numerical evaluation was made for each candidate with weighted factors being placed on a number of subjects. From the results of that process, we have selected a candidate to enter into negotiations with. The negotiations are now complete and a recommendation is going to the Health System Board on the 27th of this month for their approval. The candidate that the committee has chosen has proven that they can make a hospital successful, in several cases they have through their managed experience, purchasing power, and managed care leverage have made a major change in the final conditions of the hospitals. They did this without selling or leasing the hospital, and most of all the hospital maintained their autonomy and local control. That is the background that brings us to this stage of the affiliation process. I will not go into the discussions and debates the committee had, but I would personally like to thank the committee for many hours that they have volunteered for evening and Saturday meetings on behalf of the committee. You have before you the executive summary that you requested through Jeff Taylor, are there any questions at this time.

Chairman Hallman asked if any Board members have questions.

Commissioner Waters asked who in this management firm would be answerable to the County Commissioners.

Mr. Perry stated that if they proceed with a management service agreement, there is not a requirement for the County Commissioners to be involved in the process.

Commissioner Waters stated that in other words the Commissioners still don't know what goes on at the hospital.

Mr. Perry stated that the Board is responsible to the Commissioners and that is why he is here tonight.

Commissioner Waters stated that he really does not want to debate that, but the Commissioners haven't been very successful in getting information to date from the existing Board.

Commissioner Gamble stated that the Commissioners also haven't gotten promises fulfilled, like an audit.

Mr. Perry asked Dr. Gamble to address that question to Mr. Hallman. He stated that Mr. Hallman has the answer to that.

Chairman Hallman stated that he does not have the answer to the last question. He stated that the question on the audit, he received a proposal from LarsonAllen, CherryBekeart, LLP, which this Board approved, and which he went to an Executive Board meeting to announce that the Board of Commissioners had approved it, and was advised that there had been a change in the proposal. He stated that he has not seen that change yet, so based on that, he recommended that he could not accept that proposal on his own without coming back to the Board. He stated that the Board of Commissioners is still in agreement for the original proposal, but not proposal number two, that was dated, well both are dated the same time. He stated that one is August 21 and the other is July 31. He stated that the July 21 had a change in it, which he understands after talking with Mr. Comer that the hospital had requested that the change be made without the Commissioners' knowledge. Chairman Hallman stated that the Board has agreed at a previous meeting not to approve the August 21 proposal. He stated that they are still on board for July 31 proposal.

Mr. Perry stated that he will take this under advisement and look into that. He stated that he is not thoroughly acquainted with the problem but will look into it.

Chairman Hallman stated that the problem was that the Board was prepared and he told Mr. Perry that the Board would approve the first proposal and they were advised at that meeting that the proposal had been changed. He stated that at that time, he didn't know who initiated the change, but upon conversation with a representative from CherryBekeart, LarsonAllen this request for change was made by the hospital.

Mr. Perry stated that he will look into that and advise Mr. Hallman immediately.

Chairman Hallman stated that he sees this himself as foot-dragging, that's the only thing he can see.

Mr. Perry stated that this is not intentional. He assured Mr. Hallman that they want that audit and have been working with him on that.

Commissioner Gamble asked how long it has been since the Board asked for the audit.

Chairman Hallman stated that this thing has been going on since June of 1999.

Commissioner Gamble stated that this is fifteen months.

Commissioner Gamble asked Mr. Perry if the his Board discussed the free audit that the hospital could get from the State Auditor, Mr. Campbell. He stated that he talked with Mr. Campbell and passed the word along through his Chairman that Mr. Campbell had said that all he needed was an official action here and he would send his team in to do an audit of the hospital and even a pro forma statement if he could get the name of the firm who might take over. Commissioner Gamble stated that pro forma is an educated way of saying we're going to look at what you're talking about and see if it'll make money or not.

Mr. Perry stated that he understands the definition of pro forma.

Commissioner Gamble stated that he knew Mr. Perry did understand, as he is a man of the business world, but he wanted to clarify that this is what he was talking about too.

Mr. Perry asked who Mr. Campbell is.

Commissioner Gamble stated that Mr. Campbell is the State of North Carolina's Elected Auditor. He stated that Mr. Campbell has just done an audit of the hospital down at Topsail, Onslow County where the Marine base is. He stated that Mr. Campbell did one at the request of the County Commissioners, and it was pretty bad what he found, but that's the point, if he's capable of finding good and bad and can tell either of the Boards that what you're talking about will make money and not be a drain on the County, then he thinks we all want to know that. He stated that we're interested enough in the hospital and the county to know that we're not going to send good money out to bad. He stated that so far, he doesn't know, he thinks we've been losing money longer than three years, but he doesn't know that. He stated that he assumes that, but believes it is correct, and feels it is probably five years. He stated that he thinks it is pretty bad that a management team as sophisticated as Mr. Perry is from cannot react to losing money over a matter of three years plus, and have done something positive or have told the Board what's wrong or what they think is wrong, and what they recommend to correct it. He stated that he has been told by Mr. Campbell and other auditors that you can't do anything until you get an audit, you can't do anything until you get a pro forma statement. He stated that if this is wrong, he is willing to be told because he is not an auditor. He stated that he believes Mr. Perry is to the extent that he'd know how to answer that question. Commissioner

Gamble stated that if you were buying AT&T, and using your own money, and you wanted to buy it and he owned it, you would ask him for an audit and a pro forma statement.

Mr. Perry asked if Commissioner Gamble is anticipating buying the hospital.

Commissioner Gamble told Mr. Perry not to try to muddy the waters like that. He stated that this is hypothetical.

Mr. Perry stated that this is the first time he has heard of the possibility of the State coming in for an audit like that free of charge. He stated that he has received no correspondence at all from Dr. Gamble about that.

Commissioner Gamble stated that he passes it through the Chairman, which is the Board of Commissioners' line of communication with the Hospital Board.

Chairman Hallman stated that they have been working on the other audit, trying to get something worked out on that.

Mr. Perry stated that we are very close on that audit. He asked Commissioner Gamble to give them a little more.

Commissioner Gamble asked Mr. Perry why in 15 months, they can't get an audit when the Board of County Commissioners said you can get an audit and offered to pay for it.

Mr. Perry stated that this was just within the past 90 days.

Commissioner Gamble stated that if he had been offered 10 million dollars in the last ten minutes he would have taken it. He stated that he thought the Board had passed the word through the Chairman to get an audit and if possible a pro forma audit.

Chairman Hallman stated that he did not pass along to Mr. Perry the request for the State Auditor.

Commissioner Gamble stated that it was in the paper, and was not a secret. He stated that if Mr. Perry sent him a message through the Lincoln Times, as a member of this Board, he would take it as genuine until he found that the paper was prone to lie, and he does not think they are about items of that character. He stated that he doesn't believe they have a deal with anybody that they haven't furnished that same information for. He stated that only an idiot would take on this hospital and not know an audit or do a pro forma statement representing the integration of their business with this business. He stated that if Mr. Perry can tell him that they would, he'd say they are a bunch of idiots and he would close down. He stated that he doesn't think Lincoln County ought to keep buying a pig in a poke, and that is a generic term, but it's true. He stated that every one of the people on Mr. Perry's Board understands what he is talking about and he doesn't think there is a person on that Board that would buy a contract to run this hospital without seeing an audit and knowing a pro forma statement integrated with what they had to offer

to use to run it. He stated that he has said a lot, but has said it very sincerely and he thinks for Lincoln County to be taken for suckers is just bad news. He stated that he doesn't believe any of his friends would have made the proposition that the Board has heard, or not heard, about the running of this hospital on this level. He stated that he will hush up now, and apologized to Mr. Perry saying he has not meant anything personal to him. Commissioner Gamble stated that he has meant it for a business proposition for this county and this county's hospital. He stated that we have not done it in a prudent way, Mr. Perry's Board has not moved in a prudent way and if that hurts any of their feelings, he apologizes to them at the beginning, but that is his opinion.

Commissioner Saine asked how the affiliation committee went about soliciting proposals and if they solicited to sell the hospital or just to get management agreements.

Mr. Perry stated that they had combined a list of nine, that was a mixture of profit and non-profit hospitals and organizations or companies that have in the past shown an interest in Lincoln County. He stated that those nine is where they started, and that filtered down then to the one that he was talking about here tonight.

Commissioner Waters asked if Mr. Perry could tell the Board how he disqualified the other five.

Mr. Perry stated that they had a score sheet that had weighted factors on it, which he will go into detail if the Board would like him to. He stated that for example under request for information, they asked a series of questions of the various candidates. One was of managed profile, one was corporate culture, one was organization profile, visions and process, medical staff, human resources, quality incentives, unique capabilities, and financial indicators. He stated that the asked detailed questions on these categories and weighed the answers that came back to them.

Commissioner Waters stated that the ones that were disqualified scored lower on that than the four that they brought through the first step.

Mr. Perry asked if Commissioner Waters could be more specific than that.

Commissioner Waters stated that he cannot be more specific than that, he is just asking a straight question. He stated that Mr. Perry said he had some kind of weighting, so the ones that did not make it through that first step were the other five.

Mr. Perry stated that they selected from that group that they started with, which was 7, they selected four of the seven. He stated that they started with nine, asked for confidentiality agreements, seven agreed to do that, from the seven, they chose the four with the highest scores of the outline just cited to Mr. Waters, and chose that four to proceed with a request for proposal.

Commissioner Waters stated that nowhere in there did he see anything of what Dr. Gamble's asking for, which is how are you going to help us operate this hospital. He stated that he will say it straight out, what's the money deal.

Mr. Perry stated that not a candidate asked for an audit.

Beverly Smith stated that she would like to clarify that the hospital is audited annually independently by Crisp, Hughes, Evans. She stated that there are audits conducted annually and there are reviews done by State organizations. She stated those audits are public record she believes.

Commissioner Gamble asked Ms. Smith why she wouldn't want to have an audit free of charge.

Ms. Smith stated that it would be a repeat of what has already been done.

Commissioner Gamble asked why not do it free of charge.

Ms. Smith stated that they have not been offered one free of charge.

Commissioner Gamble stated that this Board offered an audit free of charge.

Chairman Hallman stated that thought it was understood that this CherryBekeart, LarsonAllen, would be on the County. He asked Mr. Perry if he understood it this way.

Mr. Perry stated that Chairman Hallman came to the Hospital Board with a proposal that the County would pay for the expenses of that audit, and that's why they are trying to work with the County on that, and proceed as quickly as possible. He stated that he just assured Dr. Gamble that this has his immediate attention, and we will get that done.

Commissioner Gamble stated that this does not explain the delay to him, the delay raises suspicions, and maybe they are unjustified but 15 months, and a free service refused raises suspicion.

Mr. Perry stated that he repeats that the free service that Commissioner Gamble is mentioning has not been an offer to him.

Chairman Hallman asked if Mr. Perry is speaking of the latest audit.

Mr. Perry stated that Commissioner Gamble is saying a free service. He stated that the audit is a very worthwhile opportunity for them and they are going to pursue that very vigorously.

Chairman Hallman asked if anyone else had any questions.

Commissioner Gamble stated that he just has one more question. He asked why it hasn't been general knowledge, to the Board of Commissioners, to the press, to the County powers, to the Hospital's own Board that they were losing money all these years.

Mr. Perry stated that they made that aware year before last, when they reported a five million-dollar loss.

Commissioner Gamble stated that Ms. Smith says they have audits, but if they are losing all that money all those years, why it didn't push a panic button somewhere. He stated that it would've to him. He stated that it's just a pity that in all good faith, we turned this hospital over to them, and they've lost he doesn't know how much value, he knows how much in true dollars they have lost, but doesn't know how much value they've lost. He stated that they've even loaned money to a non-health institution that the law says they shouldn't. They've loaned money to the YMCA, which is a great organization, but it is of no business to the hospital, especially when they are losing money. He stated that he feels sick about the fact that there was no more judgement to consider giving and spending money, and giving money and giving a quarter of a million dollars within the past year of cash is what the paper said. Commissioner Gamble stated that he doesn't see how in the world they could do that when we're losing money out the other ear all the time.

Mr. Perry stated that this is not so. He stated that they have committed to that but have not paid it yet.

Commissioner Gamble asked if they are going to pay it.

Mr. Perry stated that they are obligated to pay this money. He stated that they see the YMCA as a partner to the hospital, that's why it's located right next door there. He stated that though the wellness clinic and through physical exercise, optima therapy, etc., the hospital and the YMCA can work very closely together for the community health.

Commissioner Gamble asked Mr. Perry if they can do this while they are losing money.

Mr. Perry asked Commissioner Gamble if they still have an obligation to the community.

Commissioner Gamble stated that yes they do, but not to take on new stuff until they have quit losing money. He stated that they cannot afford to lose the money they have been losing. Commissioner Gamble stated that he hopes he has insulted no one, but his interests are genuine.

Lincoln County Board of Education Land Acquisition – Betty Lawing –

Betty Lawing thanked the Board for the opportunity to speak and introduced the School Board members present. She stated that she is here as usual to ask for money, this time it is for land. She turned it over to Superintendent Marty Eaddy.

Marty Eaddy stated that they appreciate the opportunity to be before the Board once again as the Boards continue to work together to meet the ever-growing housing demands placed on our students. He stated that the Board helped them tremendously by coming forth with a \$36 million School Bond Referendum that our citizens approved by a 70% margin, and they are now moving forward with that package. He stated that they'll be ready to bid the new high school out in another month or so, and are working on the

waste treatment facility there. He stated that once that's designed, it's ready to go. Dr. Eaddy stated that the only other new school in that bond was a new elementary school in the east, which is one of two elementary schools in the east and one in the west, that was in their long range plan that they presented to the Board in 1998. He stated that they've tried to do due diligence to locate property that is going to be reflective of where they know housing starts are, where they know growth is going to be, and to meet their needs of transportation, wastewater treatment, and those types of things. He stated that he thinks they have found a good piece of property, which most of the Board is probably familiar with. He stated that the General Statutes do require that the Board of Commissioners approve the Board of Education's intent to buy property. Dr. Eaddy stated that one of the reasons for that is if they ever declare it surplus, the county gets it back. He presented the Board copies of an option with the Jim Sherrill family, that is a 90-day option for \$1000, to allow them to move from the Board of Education level to this level to have the land evaluated. He stated that this property is 31.25 acres and is located almost an equal distance from Catawba Springs Elementary School, right off 16 and Rock Springs Elementary School, right on 16. The property is located right on Highway 16.

Ed Hatley pointed out on the map where the property is located. He stated that the land is almost equal distance, and with the housing starts they have been able to identify, with the help of the Planning Board, this area is in for immediate growth. He stated that they tried to locate it as centrally as possible, so that it would help with population growth and the overcrowding they are already experiencing in the elementary schools in that area.

Dr. Eaddy stated that this site is also reflective of the fact that they know that they are going to need a second elementary school out there, so they are trying to dissect where the population growth is, and will need to come back, which wasn't in the bond package, but they'll have to come back with a second elementary school a little further west later on. He stated that once again it is 31.25 acres, and the land lays real good. Dr. Eaddy stated that Bill Myers is here if the Board would like to hear anything about development costs. He stated that the price is \$20,000 per acre, and they did a comparable sales study on that land to see just what land on Highway 16 is going for, because initially he thought it was a lot. He stated that as you go down 16, they looked at comparable sites and that was on the low end of prices of land on Highway 16 for comparable sites, and none of those sites were exactly where they needed this one. He stated that they feel like the cost is competitive, the development cost is competitive, the location is extremely attractive to them in terms of the long range growth and accommodating the needs of the students. He stated that this option does allow them to purchase a 100' access to Highway 16, which is a very congested highway. Dr. Eaddy stated that they have talked to DOT about the feasibility for turn lanes and lights for traffic control. He stated that those all are feasible and need to be worked out as they move down the road. Dr. Eaddy stated that they have enough property there to create enough backup for parents waiting to pick up their children on-site that they shouldn't have any cars backed up on Highway 16, which would minimize that congestion. He stated that most importantly, it is located in the Water and Sewer District, which reduces their development costs by between \$300,000 and \$400,000 for having to put waste treatment on site.

Dr. Eaddy stated that they are asking for the Board's authorization to purchase and an allocation of \$625,000 to purchase the property.

Chairman Hallman asked if the property owner wants their money all up front or if they will agree to terms.

Dr. Eaddy stated that the family has just been real easy to work with and he believes they can work out some payment terms with them.

Commissioner Waters asked why we are buying so much property.

Dr. Eaddy stated that they use the Division of Planning Standard for purchase of site, and basically that standard is ten acres plus an acre for every hundred students. He stated that for a 600 student elementary school you need an minimum of 16 acres. He stated that they normally look for 20, 25, 30 acres when they are looking for a school site. He stated that there's nothing magic about it, but a larger site allows them the possibility to expand in the future, allows for the holding pattern for cars, which at North Brook, Rock Springs, a little at Iron Station and Battleground is a problem when cars back up out into the road. He stated that a larger site gives them room for longer driveways and a larger holding capacity. He stated that they can get by with less, but feel like the location of this land and the way they can take advantage of the property is beneficial to them in the long-run.

Commissioner Waters stated that it concerns him that the package that School Officials gave the Board of Commissioners for the ten year plan to promote the \$36 million bond issue used 16 acres and what they've done is almost tripled the cost used in there.

Dr. Eaddy stated that this is correct, when they projected the cost of a new elementary school they certainly, at that point, knew it would be in the east, they did not know what the cost of land would be. He stated that the truth is in 1998 if you were a mile off of Highway 16, that cost was probably pretty competitive. He stated that what they've seen in talking with the folks in county government is that in the last two years the cost of land along 16 has really gone up dramatically. He stated that they did some comparable sales studies, talked to some real estate agents about other lands, and felt the \$20,000 per acre is a competitive price on the low side for lands that they have seen.

Commissioner Waters stated that he is not concerned with the per acre price as much as he is the fact that the total price now is at least three times what they used to promote the bond. He asked if we're saying that \$36 million is not enough.

Dr. Eaddy stated that no, that is one reason they are needing to come to the Board of Commissioners to talk about the land acquisition itself, because they would need some help on what was in the bond package in order to seal this deal.

Commissioner Waters stated that maybe Dr. Eaddy needs to tell what the help is.

Dr. Eaddy stated that they are asking for an appropriation of \$625,000, of which when the county is able to sell the bonds the allocation for the land that is in the bond package would be then returned back to the county, or that amount would not be sold in bonds.

Commissioner Waters asked if they we pay the rest.

Dr. Eaddy said yes, sir.

Commissioner Waters stated that this is a big request.

Chairman Hallman asked what was originally allocated for land.

Dr. Eaddy stated that approximately \$128,000 was allocated.

Commissioner Waters stated that it was \$128,000 exactly. He stated that he read it today.

Betty Lawing stated that Dr. Eaddy and School Board members have talked unofficially about building larger schools, because of the rapid growth. She stated that a 600 student elementary school is probably not going to suit our needs, we are probably going to go for 700, so that means more land is needed.

Chairman Hallman asked if the school will be designed so it can be expanded.

Dr. Eaddy stated that they start with a 600 student design, and they are using the architect they have used before, so normally they have classroom wings radiating out from the media center, which then allows for inexpensive add-ons at the end of those wings.

Commissioner Waters stated that Dr. Eaddy is at the disadvantage of following a dance the Board has already been through. He stated that they are telling him a bigger school and yet we're planning a second school. He stated that those two don't jive exactly.

Ms. Lawing stated that they have a long range plan.

Commissioner Waters stated that he read that same long range plan and this is not following it. He stated that this makes it a concern for him. He stated that he understands the long range plan, because he has one in his possession, but we're not following it.

Dr. Eaddy stated that the only deviance from the long range plan is the difference in the estimated purchase price of the land. He stated that they used the minimum amount of land as the estimate and were there 16 or 20 acres located centrally in those districts, it would have probably have been that.

Commissioner Waters stated that he could probably find them a place if they would get away from 16 that would do that.

Dr. Eaddy stated that they looked at that and what's happening is you have growth on the eastern side of 16 as well as on the west side. He stated that we're going to need another elementary school fairly close to this one in the near future, that was part of their growth projections.

Commissioner Waters stated that then Dr. Eaddy will be back for more money. He stated that the \$36 million was not enough, and that concerns him. He stated that he put some of his integrity on the line for \$36 million and now it's not six months later and he's saying it's not enough. He stated that Mr. Brotherton will take him to task from now on about that.

Chairman Hallman stated that the original request, the long range study was \$52 million.

Dr. Eaddy stated that the \$36 million was only for these three projects and the second elementary school is in the long range plan as well as an elementary school in the west and the expansion of the bus garage.

Ms. Lawing stated that where they arrived to request for the bond, the Commissioners and the School Board agreed on that \$36 million not to overtax the county with a large bond request.

Commissioner Waters stated that there were a lot of presentations made with overheads right out of the long range plan that showed 16 acres of land times two, times \$8,000 per acre makes \$256,000 for land for two schools.

Ms. Lawing stated that those were 1998 figures.

Commissioner Waters stated that this is what they sold a 2000 year bond on.

Ms. Lawing stated that in reality there has been an escalation in the price of land especially in that area.

Commissioner Waters stated that if you get away from 16 it's not.

Ms. Lawing stated that it's not right on 16, but you'll be able to see it from 16 and all the officials have looked at it and said this is the place for the school.

Commissioner Waters stated that he doesn't see being adjacent to 16 as an advantage, he sees it as a disadvantage.

Ms. Lawing stated that this is a matter of opinion.

Commissioner Waters stated that he understands that, he just happens to value his own opinion.

Commissioner Brotherton stated that Mr. Waters made the statement that Commissioner Brotherton might take him to task. He stated that this is meant as a little friendly jab at

him, but he's going to go back to a newspaper two or three weeks ago – County Commissioner W. J. Waters on hand for the presentation told the group that funding for the schools is an issue that the county is going to have to address. “There is no doubt in my mind that we have to come up with some money for our schools.” He stated that this is what these people are asking for, money for our schools.

Commissioner Waters told Commissioner Brotherton that he has gotten another thing out of context. He stated that the article had to do with spending per pupil, and that has nothing to do with this discussion, absolutely nothing.

Commissioner Brotherton stated that you have got to have a building to put them in.

Commissioner Waters stated that it doesn't have to cost triple what was put in the bond is his point.

Commissioner Gamble stated that he can help this conversation. He stated that it was through the great lips of the great Ronald Reagan that says, you know the rest.

Commissioner Waters stated that he doesn't, he asked Commissioner Gamble to tell him.

Commissioner Brotherton stated that the thing that saddens him in this whole thing is how one School Board member has attempted, and done a heck of a good job, at trying to make this thing a political issue, with comments such as Mr. Sherrill is affiliated with Party A, and he has been supporting candidates from Party B, and numerous statements that he knows have been made behind closed doors and in front of open doors. He stated that yet he goes back to another newspaper clipping, this is a quote said “Politics have to be put aside when it comes to providing education for children”. He stated that the same School Board member talks out of both sides of their mouth. He stated that there is a letter in the Lincoln Times today, and he would like to address some of these statements. The property has no road frontage, since the property between the Sherrill property and Highway 16 has different owners, there is no assurance of the use of this property in the future. He stated that if the author of this letter will go back to the Lincoln County Zoning text, what is allowed by right on the frontage of that property will certainly never have a negative impact should a school be there and if they have a question about something being there that shouldn't be this should be brought to the attention of the Board of County Commissioners and perhaps some changes be made in the zoning text. He stated that anyone can read it and leave here assured that nothing negative can be built there. He stated that another thing is the criticism of the 31 acres. He stated that this same reasoning, you have additional land there that can be left as a buffer between any potential businesses that could be built on Highway 16 and the school. Commissioner Brotherton stated that he sees a plus right there for the additional land. He stated that the concern there is to be only one entrance to the school property, which will exit entirely onto Highway 16. He stated that he does have knowledge that school officials were offered the option of having additional entrances into this school, from property owners other than Mr. Sherrill, and elected to go with the one entrance. He stated that it was a decision that the School Board made, it was thought that one entrance would better serve

it's needs than two entrances or had a reason for not pursuing the possibilities of other entrances.

Dr. Eaddy stated that every time they look at land, they look at developmental costs and the land they were looking at to provide another entrance onto 16 would have been very costly to develop into a road because of some stump burials there on the site. He stated that they felt like their purposes were just as well if not better served with a 100' access to 16, which will allow for one entrance in, two turn lanes coming out, and room for buffering against whatever may be built next to the property. He stated that this provides some security in this day and time of one entrance. Dr. Eaddy stated that they felt like having the 100' right of way was more advantageous and certainly more economical than buying the second entrance and then having to deal with bad dirt.

Betty Lawing stated that this was a recommendation of the Superintendent and also of their construction management firm. She stated that one member cannot run a School Board, it's a group. She stated that six members liked it and voted for it, so she echoes Dr. Eaddy's request. She stated that in order to proceed with the bond, they need land and she is sorry it is more than they anticipated. She stated that a human being really cannot anticipate land that far in advance in a growth area. Ms. Lawing stated that it's something they must do and the Board of Commissioners are the ones with the money.

Chairman Hallman asked if the construction consultant would have any comments that would add to the site.

Bill Myers stated that they have looked at this from just about every angle and one of those angles has to do with the topography. He stated that Mr. Sherrill gave him a topographic map and they looked very closely at what it would cost to build a school on this site. He stated that the amount of dirt they are going to have to move, to give some comparison, at Pumpkin Center they moved a quarter of a million yards of dirt to make that school and everything around it. He stated that they are moving less than 90,000 yards on this particular site. He stated that there is some economy there and as Dr. Eaddy said the real advantage when they built Pumpkin Center two and a half years ago, they paid close to \$340,000 for a sewer treatment, where now the county can provide sewer. He stated that they now have those costs they can allocated back into the project.

Commissioner Waters asked how much of that land is really buildable on.

Mr. Myers stated that this is just a guess, he doesn't profess to be a Civil Engineer, of the 31.25 acres, he suspects they will end up developing 20 to 24 acres and then having a lot of extra land for buffer zones, which Mr. Brotherton pointed out, is important to them

Commissioner Waters asked if that would be the two big gullies you can see in the middle of the topography map.

Mr. Myers stated that one gully they are going to fill in, and that would be as you face the site from 16, the one on the left hand portion. He stated that the one on the right they will probably leave it as it is.

Commissioner Waters questioned whether that is buildable on.

Mr. Myers stated that it is not unless a lot of dirt is moved in and around it, which he wouldn't see the point in at this time.

Commissioner Gamble asked what is the point of buying it if you can't use it.

Mr. Myers stated that he thinks demographically for the schools and the attendance lines, the location is perfect in between Catawba Springs and Pumpkin Center. He stated that he is kind of harking back to that, because that is the root of it. He stated that if they had an opportunity to buy a tract of land that was 18 to 20 acres, they would probably do it, but they have this 31 acres that is being offered and we have to pay the piper and buy it off.

Commissioner Saine stated that she guesses she is of a different opinion. She stated that she is a Real Estate Appraiser and has watched the land escalate. She stated that she has to assume that there was only 31.25 acres available in this land. She stated that her question is, at \$20,000 an acre, why didn't they buy more. Commissioner Saine stated that having seen the prices of land, and especially on Highway 16 go up, that sounds like a very fair price to her.

Commissioner Brotherton stated that the issue before this Board this evening is if it is going to authorize the School Board to move forward and purchase the land and assist them financially and in what way financially, make a loan until some bonds are sold, a grant, or whatever, the options are out there.

Dr. Eaddy stated that it would actually be a combination of the two, a loan of the amount of money they had in the bond package, so when the bonds are sold that amount could not be sold, and a grant for the difference.

Ms. Lawing stated that of course that is a one time grant.

Commissioner Waters stated that it is until the next school comes along. He stated that to answer Commissioner Saine's question the reason we didn't buy more land is because we don't have more money. He stated that \$36 million was supposed to be the amount of money we are spending and the reason we are not spending more is because that is all we floated a bond for.

Commissioner Saine stated that if you go down the road a little further, and look for 18 acres, you're going to pay that price plus some.

Commissioner Waters stated that he would probably be looking off of 16, because the price goes down if you get away from land that has access to 16, which he doesn't see as an advantage.

Dr. Eaddy stated that then the cost of sewer gets cranked in and you're talking about another \$300,000 to \$400,000.

Commissioner Waters stated that this is still less than the \$400,000 the Board is being asked for and it was in the original package to do sewer, sewage treatment.

Chairman Hallman stated that if you go over to the middle of the country, then you will have to haul the little children across the new 16, if it's ever built, and across old 16 to get them into the development areas.

Commissioner Waters stated that the disadvantage of 16 is getting in and out of there. He stated that there is going to be a traffic jam on 16, just like there is on 73 at East Lincoln High School now and at West Lincoln High School on 27.

Ms. Lawing stated that Highway 27 and 150 at Massey is the same.

Chairman Hallman stated that he doesn't know of a school anywhere that there is not a traffic jam.

Commissioner Waters stated that if you went over in the country, it wouldn't be near as bad. He stated that not nearly as many people travel those country roads in the morning as Route 16.

Commissioner Brotherton stated that he is a firm believer that to go anywhere in east Lincoln County you have got to travel 16 or 73 one to get there. He stated that you can go over in the middle of the country and build a school and for the school buses to eventually get to 16 or 73 and they will encounter a number of intersections.

Commissioner Brotherton stated that he thinks any time a bus is at an intersection, or even a private vehicle, you have an additional chance of an accident. He stated that he is a firm believer, you get him on the main road as quick as possible, and get them on their way.

Dr. Eaddy stated that they are going into the country to buy the next site, and that is part of looking at this whole thing, is where the kids are and where they are going to be. He stated that they are going to have dramatic growth along 16, dramatic growth just west of 16. He stated that he told the Board the other night that they are going to be building schools in east Lincoln County like they do in town, they'll be within a bicycle ride of each other. He stated that they are not going to be scattered out like we are used to having them, because of that high density population. He stated that they will be going into the country, but they believe the way the population is right now and the growth they have identified, they need to get something to serve east of 16 and the immediate 16 corridor, then come west for the second school in the long range plan. Dr. Eaddy stated that with growth the way it is, it won't surprise him that the next time they do a long range plan, there will be another school somewhere in the mid-west. He stated that the Board knows what is happening with growth, and we've just seen the beginnings of it. He stated that it's not just where can you get the cheapest deal, but where does it serve us for the next 75 years.

Commissioner Brotherton stated that the most recent school is Pumpkin Center and prior to that was Rock Springs. He asked what was prior to Rock Springs.

Chairman Hallman stated that there was Lauder, the expansion of West Middle, the expansion of North Brook, and just about rebuilt Union.

Commissioner Brotherton asked what the track record is for the School Administration on all their projects over the last ten years when it comes to coming in under budget or over budget.

Dr. Eaddy stated that they have never come in over budget, they did have to negotiate down on one school at one time, and that's why they brought the management firm in. He stated that they have always operated within their budget, this is the first time they have ever come back to the Board of Commissioners to address a financial need in any of their three bond packages and that is generated solely by the location of that property and the fact that they feel they need a school at that site.

Commissioner Brotherton stated that he is referring to actual construction projects. He asked if Dr. Eaddy has always come in under budget.

Dr. Eaddy stated that they had.

Commissioner Brotherton asked if Dr. Eaddy knew any figures off hand on Rock Springs and Pumpkin Center.

Dr. Eaddy stated that Pumpkin Center was \$1 million under budget, which allowed them to open that building appropriately by putting in computers and that type of thing.

Commissioner Brotherton stated that based on speculation and the school's track record, if they can do as well in the future as they have in the past with the construction projects, the money is likely to be there to cover any additional costs for land purchasing to where the county actually wouldn't be responsible for any of this land funding.

Dr. Eaddy stated that it would be possible. He stated that based on their history, they have been able to pull them under budget.

Commissioner Gamble stated that things just changed Mr. Brotherton. He stated that like Mr. Ray Lauder said "It's a new day, Ray."

Commissioner Waters stated that it is a new day. He stated that he is amazed to hear a person who was most adamant about not having a \$36 million bond just arbitrarily say that \$400,000 is no problem at all.

Commissioner Brotherton stated that he endorsed the bond issue.

Commissioner Waters stated that what he would like to do with that \$400,000, and what that newspaper article was talking to is spending it on students and not a piece of land we're not going to use.

Commissioner Brotherton stated that he has something up his sleeve tonight where the students are going to benefit and he hopes he can count on Commissioner Waters' support.

Commissioner Waters stated that he has to hear it before he can do that, because based on what he has heard so far, he doesn't think he's going in Commissioner Brotherton's direction.

Betty Lawing stated that they are going to use the land. She stated that she didn't read the letter Commissioner Waters is speaking of in the newspaper.

Commissioner Waters stated that Commissioner Brotherton read it right out of the paper, it said that he said that we need more money for students. He stated that he still says that, but this is not students, this is a piece of land, and we don't need 31.50 acres to put an elementary school on.

Commissioner Saine stated that you have to have somewhere to house those students before you can teach them.

Commissioner Waters stated that the price is too much.

Chairman Hallman stated that the Board is talking about a \$625,000 piece of property, they have \$128,000 in the budget to do it with, they have a potential savings of some few hundred thousand dollars if MB Kahn does what they've done in the past. He stated that this Board has had an experience with MB Kahn and it's been fairly positive. Chairman Hallman stated that he will say that eight years ago, he was a critic of MB Kahn, but he stated that you can learn an old dog new tricks if you work on him long enough.

Chairman Hallman entertained a motion saying that this is an awful high piece of property, but he knows where it is at, he knows that if you buy an acre of land on Highway 16, you'll think this is cheap from all accounts he's had and looking up tax appraisals on his CD. He stated that he would think that someday this Board should support the School System in trying to acquire this piece of property. He stated that maybe by a couple ways, hopefully that the property owner will work it out in terms over four or five years, and if they can count on any savings generated going to that purchase. Chairman Hallman entertained a motion that they accept the School Board's recommendation on that piece of property.

A MOTION by Commissioner Brotherton that the Board subscribe and support the request of the School Board to support them in their land purchase and funding as necessary to make it happen.

Commissioner Gamble asked if Commissioner Brotherton is speaking of this particular piece of property.

Commissioner Brotherton stated that he is speaking of this particular land, the 30 acres.

Commissioner Waters asked if that means that we could say this is all a loan, since we are going to save this money down the line. He asked why it wouldn't all be a loan.

Commissioner Brotherton stated that he believes that the School Board has \$200,000 in the bond package.

Ms. Lawing stated that they have \$128,000.

Chairman Hallman stated that they are \$497,000 short.

Ms. Lawing stated that they are requesting a grant, however if there are savings they will be glad to pay some money back in addition to the \$128,000.

Chairman Hallman stated that if this is spread over five years, it won't break the bank.

Commissioner Brotherton stated that he doesn't know if that long of a term suits the property owner.

Chairman Hallman stated that three years would be \$208,000 per year plus a little interest on the remaining two years.

Commissioner Waters stated that now it's \$600,000 because interest was paid on that \$400,000.

Commissioner Gamble asked Ms. Lawing the schedule for next three school buildings with the dates and the cost.

Ms. Lawing stated that there will be a high school in Pumpkin Center. She stated that they have purchased the land on Lee Lawing Road. She stated that this is approximately a \$25 million school that was in the bond. She stated that with this elementary school they are looking at an \$8 million budget, but it is going to exceed that by \$400,000 because of the cost of land. She stated that the other one be an addition and the final renovation at West Lincoln High School, which will come very close to the beginning of the elementary school and it's somewhere around \$4 million.

Dr. Eaddy stated that they will all three be occupiable by 2003.

Commissioner Gamble asked if these were in the bond issue.

Ms. Lawing stated that these are in the bond issue. She stated that in addition to that, the long range plan included another elementary school in east Lincoln, an elementary school in west Lincoln, and some additions at the school bus garage.

Dr. Eaddy stated that by statutory requirement, they are also starting their next long range plan.

Commissioner Gamble asked what time period we are talking about.

Dr. Eaddy stated that August 2003 all of those projects will be completed and occupied, the ones in the bond package. He stated that they do not have any financial capacities for the other two elementary schools or the school bus garage at this time. He stated that this would be the next thing they'd come back for.

Chairman Hallman stated that the next time they do a study, the two elementary schools for \$8 million each plus inflation, that is probably not going to meet the needs for the next go round. He stated that something the Board has talked about, but not accomplished, is some sort of fee on new construction, and somewhere down the road, it is going to have to be addressed. He stated that whoever is sitting on this Board is going to have to get the State Legislature to give permission to do something, because the taxpayers that have been here for 100 years, he doesn't know how much more they can shoulder on their own.

Ms. Lawing stated that there is talk in Raleigh about money for these rapid growth areas for school construction.

COMMISSIONER BROTHERTON restructured his motion to state: motion to award the Board of Education a \$497,000 grant over a three year period to be applied for the purchase of this 30 acres of property.

Ms. Lawing asked if the County will loan them \$128,000.

Commissioner Brotherton stated that he thought they had \$128,000.

Dr. Eaddy stated that it is in the bond package, but will only get it when the bonds are sold.

Ms. Lawing stated that the first bond money sold in November will go toward the new high school.

Commissioner Brotherton stated that if you take this \$497,000, that will pay the payments for the first two years, and by the third year some money should be coming in from the bonds on the elementary, because the high school would be completed.

Commissioner Waters asked what the rush was. He asked why we are in such a hurry to do this.

Dr. Eaddy stated that they are ready to go to the design phase now. He stated that they will get the building designed, prepare it to bid, and it'll take a year to build it. He stated that they go to the design phase in March.

Mr. Myers stated that the new elementary school will be bid in early spring.

Commissioner Waters stated that we have from now until March to do this. He asked why we couldn't wait a while.

Ms. Lawing stated that the school has to be designed.

Commissioner Waters stated that he thought Dr. Eaddy said it was going into the design phase in March, that's what he heard.

Mr. Myers stated that it will start almost immediately.

Ms. Lawing stated that they have signed a contract with an architect and he is ready to start design.

Dr. Eaddy stated that they first have to have an Educational Specifications Committee to deal with the specs for the building, programs, space relationships and that type of thing. He stated that this will have to occur between now and the time the architect starts drawing. He stated that there's a lot of lead time before they move into the actual starting of the design, which will start in January.

Ms. Lawing stated that there is no rush, they are following their plan.

Commissioner Waters asked if Ms. Lawing or Dr. Eaddy can put his mind at ease on what that \$400,000, actually \$600,000 would do if they put it on the other side of the thing, which is in the classroom.

Ms. Lawing stated that you have to have a classroom to put it in.

Commissioner Waters stated that we have to take care of the ones we do have, and we aren't.

Commissioner Brotherton stated that if Commissioner Waters is concerned about the interest, this county ended the fiscal year \$2 million under budget. He stated that the fund balance is the most it's ever been. Commissioner Brotherton stated that this thing could be paid for right up front without paying any interest on it.

Commissioner Waters stated that the Board has already spent a lot of that extra money Commissioner Brotherton's talking about in the 2000 budget. He told Commissioner Brotherton to figure out what that would be if he took all the money in the 2000 budget, that is not projected in revenue, and it won't be the largest number he's ever seen.

Ms. Lawing stated that the School Board is concerned with the children and building schools and educating the children. She stated that the county's fund balance is up to the Commissioners, they have to look after the children.

Commissioner Waters stated that he thinks he is, he thinks we can buy cheaper property and put a good school on it, and still have money left over to put in the classroom where it belongs. He stated that maybe if somebody would put his mind at ease, maybe he would shut up.

Chairman Hallman asked if there was any further discussion.

Commissioner Waters stated that he guesses that did it.

Chairman Hallman stated that there was time for discussion.

Commissioner Waters asked if the Chairman already knew how he has going to vote.

Chairman Hallman stated that he thinks he has got his mind at ease.

Commissioner Waters asked if the Chairman came in with an open mind.

Chairman Hallman stated that he certainly wanted to hear what they had, the only thing he knew was that they had a piece of property down in east Lincoln.

Chairman Hallman called for further discussion.

Commissioner Waters asked if anybody wants to answer his question.

Betty Lawing stated that it's the best piece of land in the right spot, according to the population projections. She stated that you need schools where the children are.

Dr. Eaddy stated that this is basically what he told the School Board, when you start looking at land location, location, location. He stated that this is located exactly between those attendance zones, it's where the growth is, it will allow them to flex a little bit by relieving to the north with Rock Springs, bringing some of Rock Springs attendance lines into the new school attendance district, and to the south can relieve Catawba Springs. He stated that they have the capacity of moving north and south by putting this school centrally. He stated that they are going to need to come right back for that second elementary school in that same proximity but a little to the west.

Commissioner Waters stated that he would love the location if we'd buy the 20 acres we need. He stated that it would still be over budget, but he would love the location if we'd buy the 20 acres we need.

Dr. Eaddy stated that they will try to make the best decision they can about land that is available to them.

Commissioner Saine asked Commissioner Waters if he has a piece of property, with a seller that is willing to sell us 21 acres to build a school on that would save money.

Commissioner Waters stated that if they'd go off 16, he could probably find one.

Ms. Lawing stated that it would be in the wrong location.

Commissioner Waters stated that there's no location on the whole map that's in much the wrong location in east Lincoln County, because east Lincoln County is going to get so full that everywhere you put a school it will be filled up. He stated that there's no location on that map that's in the wrong location.

Ms. Lawing stated that there is to school people.

Commissioner Waters stated that there's not to money people.

Commissioner Gamble asked Dr. Eaddy if anyone representing the authority of his office has gone to the District's Highway Commissioner and to Mr. Spangler in Shelby, and so forth to ask when they are going to require a bridge to get across this super highway or if he is prepared to do one.

Dr. Eaddy stated that this site will not be sitting on the new four-lane 16, it's on the old 16 and is close to the clover-leaf interchange that is proposed for the new 16, which allows for access.

Commissioner Gamble stated that he didn't know that, and that's good news, but Dr. Eaddy's not showing it. He stated that a clover-leaf makes it very valuable to him, if that's indeed true. Commissioner Gamble stated that this is a safety factor and that's what it's all about.

Dr. Eaddy pointed on a map where the clover-leaf will be.
Commissioner Gamble asked what the motion is.

Chairman Hallman stated that the motion is by Commissioner Brotherton for a \$497,000 grant over three years to assist the School Board in purchasing this property.

Commissioner Gamble asked Chairman Hallman if he needs a second. He called a question.

Chairman Hallman asked if everyone understood the motion on the floor. He called for a vote on the motion.

Vote: 4 – 1 AYES: Hallman, Brotherton, Saine, Gamble
NOES: Waters

Dr. Eaddy stated that they appreciate the Board's time and support, and will start moving forward on this project.

Chairman Hallman stated that the Board appreciates what they do also, and asked Dr. Eaddy to work with Stan and Leon if there are any problems.

Ms. Lawing thanked the Board.

Commissioner Brotherton asked if he could follow up with what's up his sleeve. He stated that since he has been on this Board, he has heard one comment – my child does not have a textbook. He stated that he doesn't know who's fault it is, he knows the state allocates X number of dollars. He stated that one thing he would like to be able to say when he leaves this Board in December is that every child in Lincoln County has a textbook in their hand. He stated that with the conversation he has had with school administration, he has been informed that it would require \$250,000 to put a textbook in every student's hand in Lincoln County. He stated that he would like to see it done this evening that those funds are provided to the School Board, they can order these textbooks from the State warehouse to where they'd be in by November or December, and come December he can say he helped the little children when he leaves here. He stated that there are a lot of teachers who will not use them to teach from, but he thinks they would be a great reference tool for them to have.

Dr. Eaddy stated that this is pretty close. He stated that the issue is whether to buy a textbook that's only 40 to 50% correlated with the standard course of study or other materials. He stated that this is one of the ways schools have changed. He stated that when he was there the textbook was a curriculum and now there's a state curriculum. He stated that \$250,000 would get them real close.

Commissioner Brotherton stated that the other material is where a lot of the money is going and the parents don't see that. He stated that what he wants to see is a textbook in the hand of every child, in every classroom, for every subject. He stated that he hopes that there is some support from this Board to help the children.

Commissioner Waters stated that so what was up Commissioner Brotherton's sleeve was another \$250,000 out of the coffers.

Commissioner Brotherton stated that he goes back to this thing where Commissioner Waters said that he wanted to help them, but wanted to help them in the classroom. He stated that he's giving him the opportunity at this time.

Commissioner Waters stated that he gave Commissioner Brotherton the opportunity to do it the other way, buy cheaper land and use that money.

Commissioner Brotherton stated that as Dr. Gamble would say, this is a new day and we're talking about a new subject.

Commissioner Gamble stated that it's a new subject and it's a diversified subject to talk about a textbook in every child's hands doesn't talk about the child that's in the eleventh grade or a child in the third grade or the various varieties of choice and teacher choice in textbook. He stated that he doesn't think enough about it from the Chair or the Superintendent about how he would accommodate to putting a usable textbook in every child's hand, of equal value and that the money would be well spent. He stated that he is for spending the money but has heard this complaint before and it's good, but it isn't so good and he'd like to hear a sophisticated discussion from Dr. Eaddy about what you could buy and what you couldn't buy for \$250,000 that would meet say 80% of the needs of the children. He stated that he doesn't think this conversation meets that criteria.

Chairman Hallman asked if Dr. Eaddy is comfortable enumerating what the \$250,000 would do for the children of the county, or if he'd like to prepare for the next meeting.

Dr. Eaddy stated that he is comfortable responding to the request for textbooks. He stated that the state does allocate money for textbooks, for one textbook per child, per year. He stated that it takes about five books per child to see that they are adequately furnished with materials, and adding the fact that they are adding 300 students per year and they never get caught up, but continue to go backwards in the availability of materials. He stated that they end up taking their textbook revenues and other materials revenues, and teachers start making choices about the best way to teach. He stated that for \$250,000, he thinks they would be able to put a book in every child's hands, whether that's the best way to spend \$250,000 to improve student performance is another issue. He stated that they would certainly like to have the opportunity to have the ability to sit down and figure out the best way to handle this.

Commissioner Waters stated that if this was any other meeting that followed Robert's Rules of Order, we'd declare this whole discussion out of order. He stated that the Board approved an agenda when the meeting started and just jumped completely off of it.

Commissioner Brotherton stated that his goal here this evening is to find out what members of this County Commission Board support education in Lincoln County and the ones that don't.

Commissioner Waters stated that Commissioner Brotherton's goal is the same that he accuses them of, it's a political goal.

A MOTION by Commissioner Gamble that this discussion be delayed for a month's meeting so they will have time to think about the subject matter. He stated that this is the first time he has heard anything come close to serious discussion and Dr. Eaddy and Ms. Lawing have a great deal to offer in how to spend \$250,000 earmarked for adequate teaching material for students. He stated that we haven't even touched the surface.

Stan Kiser asked Dr. Eaddy how much money was received last year from State allocation for textbooks.

Dr. Eaddy stated that it is approximately \$58 per child.

Mr. Kiser asked if it was all used.

Dr. Eaddy stated that yes, they used it all. He stated that they do not necessarily use it all for textbooks, because once again they are in the position of choosing. He stated that it's there, but the teachers make those decisions about how they are going to take the resources and deplore them to meet the needs.

Commissioner Waters stated that the Board is out of order again. He stated that the County Manager is off-base now, he's asking questions where he has no business asking questions. He stated that the County Manager is off-base now.

Chairman Hallman called for a vote on Commissioner Gamble's motion.

Vote: Unanimously approved.

Resolution Establishing October 7, 2000 as a Day of Remembrance for Lincoln County Veterans of the Korean War – Dale Punch:

Dale Punch thanked the Board for having them tonight.

Commissioner Gamble stated that he is going to stand with the group of Veterans.

Mr. Punch stated that this is the 50th anniversary of the beginning of the Korean War and the Department of Defense has started a program called the Korean War Commemorative Communities, and he's proud to say that Post 30 in Lincoln, American Legion, is one of those communities. He stated that they are asking that the County do a proclamation making October 7 Lincoln County Korean War Veterans Day. He stated that on that day they will also have a luncheon to feed all the Korean War Veterans, their wives or a guest, and to have this day together. Mr. Punch read the following Proclamation and Dick Caldwell presented the Board and County Staff pins.

**RESOLUTION ESTABLISHING OCTOBER 7, 2000 AS A DAY OF
REMEMBRANCE FOR LINCOLN COUNTY VETERANS OF THE KOREAN
WAR**

WHEREAS, on June 25, 1950 invading North Korean forces invaded the Southern portion of Korea known as the Republic of Korea, and

WHEREAS, in defense of South Korea the United States joined the fighting under the banner of the United Nations, and

WHEREAS, since the Revolutionary War, Lincoln County has provided thousands of patriotic men who have answered the call of their country, and

WHEREAS, Lincoln County men have left Home, Hearth, and Family sacrificing themselves, if necessary, for freedom in foreign lands and,

WHEREAS, eleven Lincoln County men did make the ultimate sacrifice and laid down their lives in the cause of world freedom on the Asian Continent and,

WHEREAS, the Lincoln American Legion Post 30 has, in the past, honored men in all branches of the Armed Forces would honor these soldiers of “the forgotten war” with a special day of remembrance.

NOW, THEREFORE, by order, the Board of Lincoln County Commissioners does hereby establish October 7, 2000 as “KOREAN WAR VETERANS DAY” in Lincoln County for now and evermore.

Adopted this the 18th day of September, 2000.

James A. Hallman, Chairman

ATTEST:

Amy S. Long
Clerk to the Board

Dale Punch stated that he has with him part of the Lincoln County National Guard unit that was called up for active duty, to go to Korea in 1950. He stated that also he has Mr. Harry Crump, the Commander of the VFW, and all these brave men served our nation in a time of need. He stated that they think that the Korean War is known as the forgotten war because we had just come out of World War II and war was the last thing on people’s minds. He stated that he would like to, himself as a Vietnam Veteran, applaud these men. He stated that the luncheon is setup, and appreciates the county’s donation of \$800. He extended his personal invitation to the Board.

Chairman Hallman stated that he thinks a Resolution is a small token for what these gentlemen and especially the 11 that made the ultimate sacrifice, it is a very small token.

UPON MOTION by Commissioner Saine, the Board voted unanimously to approve the Resolution.

Commissioner Gamble stated that he would like to give a piece of trivia history from the Korean War. He stated that he was going to tell about the origin of the MASH hospital, which he’s sure everyone here knows where the mash hospital was started. He stated that it started in Korea, right in those hills outside of Enchon. He stated that a lot of these guys either saw them or saw the helicopters. Commissioner Gamble stated that he was there and now is a lot prouder to have been there than he was when he went. He stated that it was a great experience and he congratulates these men for surviving.

Recess: Chairman Hallman called for a five minute recess.
Chairman Hallman called the meeting back to order.

UPON MOTION by Commissioner Saine, the Board voted unanimously to recess the Board of Commissioners Meeting to hold the Board of Variance and Appeals Meeting.

Chairman Hallman called the meeting back to order.

Vacancies: Commissioner Saine presented the following vacancies.

Lincoln County Child Protection Team 1
Nursing and Adult Care Home Community Advisory Committee 4
Library Board – Ironton Township 1
Lake Norman Marine Commission (5 year appointment) 1

Appointments:

Commissioner Saine stated that there is one reappointment, which is to reappoint Phil Hunt to the Planning Board. She stated that there is one vacancy for the Lake Norman Marine Commission, and the Board has had two applicants, Robert Digh and Bob Sarabia. She stated that both these applications were in the packets for review.

Commissioner Gamble asked if this is Mr. Digh is the one at the boat works.

Commissioner Saine stated that it is.

UPON MOTION by Commissioner Saine, the Board voted unanimously to reappoint Phil Hunt to the Planning Board.

Chairman Hallman stated that the Marine Commission vacancy would be voted on by written ballot, since there are two applicants.

The ballots were written and handed to Amy Long, Clerk.

Ms. Long announced that there were four votes for Robert Digh and one for Bob Sarabia.

Calendar: Chairman Hallman presented the Board's calendar for the month of October.

County Commissioners' Report:

There was nothing reported under the County Commissioners' Report

County Manager's Report:

Stan Kiser, County Manager, stated that DSS has asked for that the following positions be approved and budgeted, they have received some administrative funds from Federal and State government. He stated that one position is for an Income Maintenance Caseworker to work in the Food Stamp area. He stated that they have assured him that the position is cost neutral and that if the money is stopped or the caseload drops, the position will drop. He stated that the next one is a program called Families for Kids, DSS will be receiving \$100,000 per year for the next four years for the Families for Kids program. He stated that FFK is part of a nationwide initiative to reform the child welfare system. He stated that the program was originally funded by a grant from the Kellogg Foundation and is now funded by the State. Mr. Kiser stated that they have asked the Board to approve in their budget one Social Work Supervisor and one Senior Social Worker.

Commissioner Gamble asked who recommends them, if the County Manager recommends them, he will make a motion.

UPON MOTION by Commissioner Gamble, the Board voted unanimously to approve the Social Service positions.

Finance Officer's Report: Leon Harmon stated that in the packets was a brief summary of where we stood through the end of August, there is a budget performance report, and a list of all the bank balances – some of them aren't reconciled, but they have asterisks beside them. Mr. Harmon stated that in August, the revenues were \$4.6 million and the expenses were \$4.5 million, which is a move in the right direction. He stated that we also received our annual payment from the state for intangibles taxes in the amount of \$502,063, which is what was budgeted. He stated that the local 1% sales tax came in good at 29% of the budget. He stated that this is the first quarterly distribution, and this is strictly on local sales in Lincoln County for the period of April, May, and June 2000. The two one-half cent sales taxes came in at 26%, and is based on a state-wide collection. He stated that the general fund is at 15% and revenues are at 12% of the budget. Mr. Harmon stated that during August is one of our big tax collection months. He stated that the summer has been good for water sales, which are at 20% and connection fees are at 18% with overall revenues of 17% and expenses are at 6%. He stated that Land Fill Fund availability fee is at \$170,326 and expenses of \$99,077. Mr. Harmon stated that work is progressing on the \$7.5 million, School Bond sale, which is scheduled for October 14, 2000. He stated that the Board will have a resolution for it's consideration, on October 16, in reference to that sale.

Mr. Harmon stated that he heard the schools talking earlier about the need for additional school bond money. He stated that one thing they've done in the past is budgeted the interest earned on the school bonds for school projects. He stated that they should be earning a good bit of interest on the \$36 million over the three scheduled sales. He stated that if they are sold as projected, and the schools spend them fast enough, there is no rebate to the Federal Government for what they call arbitrage – if you earn too much interest you have to give some of it to the Federal Government. He stated that if we can

spend it fast enough, which we normally do, we shouldn't have that problem and should have a good bit of interest earnings. He stated that it would be a good thing to budget some of that money for land acquisition, which is an allowable expense to build the schools, rather than using general fund money.

Chairman Hallman told Mr. Harmon to just give the Board guidance.

Mr. Harmon stated that it's an advantage to spend the school bond money first instead of the local money, to comply with arbitrage for one thing. He stated that if you spend it for the projects, it's better to spend it if you've got 6, 12, 18, and 24 month guidelines, if you spend it within a certain percentage of those periods you don't have to pay any back to the federal government.

Chairman stated that the Board will rely on Leon and Stan.

Mr. Harmon stated that he also has some concern over the fund balance. He stated that we are in the bond market now, and it is a critical time. He stated that the auditors have been doing a compiled budget that will be included in the bond official statement that all the proposed investors will be looking at. He stated that if we make significant budget adjustments, we have to notify them of those between now and the time we issue the bonds.

Commissioner Gamble stated that the bonds he knows about are paying a little over 6%. He asked Mr. Harmon if this is what he knows of.

Mr. Harmon stated that this is probably a good range, but a lot can happen between now and October 24.

Commissioner Brotherton asked if Mr. Harmon is saying that Lincoln County is financially in good shape to this point for the fiscal year.

Mr. Harmon stated that we've done a lot of things and are not going to be in as good of shape as we were last year at the end of June, since we've did some things budgeted more of our fund balance and did some spending in the current fiscal year. He stated that we should be in good shape but he would caution the Board on doing a lot more spending until they get the audit completed and know exactly where they will end up with the fund balance for the year.

Commissioner Waters asked if it would be right to say that we took another \$500,000 out of it tonight. He stated that if we're going to up front that \$497,000 or borrow it, it is still a liability.

Mr. Harmon stated that this is correct.

Commissioner Brotherton stated that it is comforting to know that we're in pretty decent shape, because when he gets this East Lincoln Betterment Association newsletter, and start reading how bad everything is, he just wants to break down and start crying a lot of

times. He stated that Mr. Harmon has comforted him here tonight. He stated that here are some of the financial wizards down there that are operating the mini-government in exile are predicting that Lincoln County will face a deficit of funds.

Commissioner Gamble asked who said that.

Commissioner Brotherton stated that some of the financial experts in the mini-government that's operating in exile in Lincoln County said that.

Commissioner Gamble stated that this is strange talk.

Commissioner Brotherton stated that he is going to make another political statement here tonight.

Commissioner Gamble told the press to quote Commissioner Brotherton on that.

Commissioner Brotherton stated that when he finally realized what's really happening with this Betterment Association, how the membership has allowed eight or ten people to totally take it and turn it into a partisan, political organization and can understand why they're printing this doomsday material.

Commissioner Gamble told Commissioner Brotherton not to be talking about Mr. Ken Fortenberry, he's a nice guy.

Commissioner Brotherton stated that he's not talking about Mr. Fortenberry, he's talking about ELBA, the organization that has a lot of meetings, but he hasn't found anything they've accomplished in the last few years. He stated that he spent some time with Ken last week.

Commissioner Gamble stated that the way Commissioner Brotherton was sucking up to him was a shame.

Commissioner Brotherton stated that he was sucking right up to him.

Commissioner Waters stated that they are just trying to tell Mr. Brotherton that he needs to check how much money he's got in his checkbook before he writes a check.

Hospital Report:

Chairman Hallman stated that there are two or three things the Board needs to talk about here. He stated that number one is that Stan Kiser, County Manager, will be at the meeting on September 27, 2000, and the affiliation question is coming up. He stated that Mr. Kiser wants to vote the will of the Board. Chairman Hallman asked the Board to give Mr. Kiser direction.

Commissioner Waters stated that he could give Mr. Kiser a suggestion, vote against it.

Chairman Hallman asked Commissioner Waters to put that in a motion.

A MOTION by Commissioner Waters that Stan Kiser vote against the affiliation, based on what little bit of information he has been able to scrape up, which turns out to be probably more than he's supposed to have, he is telling Mr. Kiser to vote no.

Chairman Hallman stated that there is a motion by Commissioner Waters to vote no.

Chairman Hallman asked for further discussion on the motion. Being no further discussion, Chairman Hallman called for a vote on the motion.

VOTE: Unanimously approved.

Commissioner Waters stated that he doesn't think the Board needs to tell the Chairman how to vote.

Chairman Hallman stated that the Board has a couple things it needs to talk about before that time gets here.

Commissioner Brotherton asked if anyone has any knowledge about escape clauses that exist in this contract as to what the two parties can do if they want to part company, get a divorce whatever.

Chairman Hallman stated that Mr. Perry had in his information thirty days. He stated that Mr. Perry stated that Respondent C termination - thirty days written notice, Respondent D termination – thirty days written notice.

Commissioner Waters stated that if they don't choose C or D, then there is no such thing.

Commissioner Gamble asked if they have ever told us who they are talking about.

Chairman Hallman stated that to his knowledge, they have not made that public yet and he is muzzled. He stated that he would be criticized severely if he let it out who.

Commissioner Gamble stated that they about know.

Chairman Hallman stated that he thinks they do.

Commissioner Waters stated that the Board will trust Chairman Hallman's judgement on his vote.

Commissioner Gamble stated that that was buried in Pharaoh's Tomb.

Commissioner Waters stated that this is basically what was put in front of the Board by Commissioner Gamble. He stated that Commissioner Gamble gave him a piece of paper that Carolina's Medical put out and put on the bulletin board of our hospital, basically telling them how they'd operate in the future and it went to all their other affiliates. He

stated that this is how he's able to scrape up some information, they're dumb enough to put right in front of him, and they're worse dumb for putting it in front of Commissioner Gamble.

Commissioner Gamble stated that he has a spy at the hospital. He presented the following memo from Carolinas Medical Center.

Memorandum

To: CHS Regional Facility Executives
Hospitals Accessing the Physician Access Line

From: Michael Mullooney, Vice President, Carolinas Medical Center

CC: Paul Franz, President, Mecklenburg Acute Care Facilities
Harrison Trammell, President, Regional Facilities
Kevin Moore, SVP, Carolinas Medical Center
Katie Kaney, VP, Carolinas Medical Center
John Marx, MD, Chairman, Dept of Internal Medicine
Mack Mitchell, MD, Chairman, Dept of Internal Medicine
Robin Surane, RN, CMC Call Center Director

Date: 08/29/00

Re: Changes to Physician Access Line

After months of deliberation and analysis to determine the best possible utilization of the Physician Access Line (PAL), we have decided to revise the telephone line and procedure for facilitating patient transfers from referring facilities. As always, Carolinas Medical Center will continue to provide a direct resource (e.g. Trauma Line, Peds Line, etc.) for physicians to refer patients within they System. The changes below are intended to enhance the current process of providing transfer assistance to referring facilities requiring access to ____ care.

Beginning September 1, 2000:

1. The Physician Access Line will be dismantled, including disconnecting the current telephone number (355-8376 and 800-953-7275).
2. The CHSS Regional Referral Line, a new telephone line, will be operational for facilitating patient transfers from referring facilities. The new telephone number is (704) 697-7878, or toll free (877) 492-9680. During the month of September, the former PAL will be automatically re-directed to the new referral telephone number to ensure seamless access while physicians and facilities transition to the new referral telephone number.

3. The operating procedures for facilitating patient transfers have been revised as follows:
- Requests for in-patient transfers from referring facilities will follow the same protocol as the Physician Access Line. If a specialty is requested that the Call Center has a specific call schedule assigned, the physician will be directed to the designated on-call physician. For all patients with general or multiple medical problems for which no specialty is requested, the Staff Internal Medicine Physician on-call will be contacted.
 - Requests to transfer a patient from an Emergency Department of a referring facility will be directed to the Attending Physician in Major at the Carolinas Medical Center Emergency Department. The ED Attending Physician will consult with the transferring physician to determine the most appropriate course of action. Upon arrival of CMC, a determination will be made as to which generalist or specialist should be consulted should they require admission. Similar to the current process, the Call Center operator will assist in locating the on-call physician for a particular service if necessary.

Please distribute this information regarding changes in the Physician Access Line to your staff and/or medical staff as appropriate. If you have questions about any of the changes outlined above, please feel free to contact either Robin Surane, RN, CMC Call Center Director, at (704) 395-3741 or myself at (704) 355-2458.

Thank you.

Chairman Hallman stated that due to the fact that he doesn't know what might take place over the next two, three, or four months, he feels that it's incumbent upon him to appoint Dr. Gamble to the Hospital Board, due to the fact that Dr. Gamble's continuity is much longer than his own. He stated that who know what might happen between now and then. He stated that he thinks he has the authority to do that and of course, Dr. Gamble may have some qualifications, he is not sure. He stated that he plans to do this because he doesn't know any useful service he can render from this point forward.

Commissioner Gamble asked if they can refuse his appointment.

Chairman Hallman stated that he does not think so, he thinks he has the authority to make that appointment.

Jeff Taylor, County Attorney, stated that the Chairman does have that authority. He stated that the Articles of Incorporation say the Chairman or the Chairman's designee may serve on the Board, and if it's a designee, the designee serves as long as the Chairman is Chairman.

Commissioner Gamble stated that he would only serve until December anyhow.

Jeff Taylor stated that this is correct unless he is reappointed by the next Chairman.

Commissioner Gamble stated that if it comes up that he is to be named that, he is going to make a little bit of a scene about saying that he doesn't feel comfortable about taking that job and not being able to see an audit or a pro forma statement on the vital issue of the hospital operation and joining hands with some other key operator. He stated that he does not believe that anybody here would buy a cat or the Empire States Building if they didn't know the price or what was involved. He asked if the Board knew anybody that dumb.

Chairman Hallman stated that he has asked the question of the hospital leadership if they have a pro forma of what the financial projections are assuming they go with respondent C, he stated that he usually refers to them as A, what the future financials would be versus not affiliating with anyone. He stated that really you ought to have pro formas showing all of them. He stated that this has not been done unless it has been done since he asked the question. Chairman Hallman stated that he has not been provided with it and no other Board members have seen it. He stated that he is very uncomfortable with it, he voted against it, and he thinks his usefulness as a Hospital Board member is over.

Commissioner Gamble stated that his wife is the Chair of a committee in Smart Start, and she and Bob Tull are on a committee together. He stated his wife and Mr. Tull were talking about a situation with Smart Start, and Bob Tull just up and said that they shouldn't do anything unless they have a pro forma. He stated that Mr. Tull went on to say used that he always used pro formas in his business. Commissioner Gamble asked where in the world Mr. Tull heard that. He stated that he is going to make a stink about not having a pro forma or an audit.

Chairman Hallman asked Amy Long, Clerk, to send a letter to Jim Perry, and Jim Perry only, informing him of the fact that he has appointed Dr. Gamble to fill out the remainder of the hospital Commissioner's term, effective immediately.

Commissioner Brotherton stated that since Carolina has already admitted that they are taking this thing over, he certainly hopes and wishes that the success with Carolina in Lincoln County is much better than the experience that Chester, South Carolina had with a management agreement with Carolina, where after around one year the term he has heard used down there is that they were road out of town basically on a rail. He stated that he hopes this thing works, but has fears that at some point in time, someone is going to have to address the final solution at a later date.

Commissioner Gamble stated that he agrees and hopes it can be done amicably to salvage this hospital.

Commissioner Brotherton stated that the circumstances could have been different in Chester, South Carolina, but he just knows that it was a management agreement and it didn't pan out.

Chairman Hallman stated that he doesn't know what the motive of this memo is, but this has to do with the referral line and transfers in and out of Lincoln Medical Center. He stated that he doesn't know if this has anything to do with whether it's entity C or D.

Commissioner Gamble stated that this speaks to motive, that's all it speaks to.

Commissioner Waters stated that in the way of pro forma, they only made one cost savings estimate. He stated that they had cost savings, and it just says blank on one of them, the other says \$300,000 to \$500,000 per year. He stated that this is not enough savings to put them back in the black.

Commissioner Gamble stated that they are going to lose \$8 million more this year.

Commissioner Waters stated that you can do the arithmetic, and that's not enough money to put in back in the black.

Commissioner Brotherton asked if it would be accurate to speculate that the goal is to suck what blood remains in them out of them, and then they'll take it off our hands.

Commissioner Waters stated that this is not what he said, but it could be true.

Chairman Hallman stated that it follows true to form to process that has been implemented in a number of other places.

Adjourn: UPON MOTION by Commissioner Gamble, the Board voted unanimously to adjourn the meeting.

Amy S. Long, Clerk
Board of Commissioners

James A. Hallman, Chairman
Board of Commissioners