



## Board Meeting Minutes

February 9, 2010

The Cabarrus Health Alliance Board met on Tuesday, February 9, 2010, at 5:30 p.m., in the Board Room of the Cabarrus County Human Services Building, 1307 S. Cannon Boulevard, Kannapolis, North Carolina.

### CABARRUS HEALTH ALLIANCE BOARD MEMBERS PRESENT

**Board Members:** Charles Phillips, Chairman  
Carolyn Carpenter, Vice-Chairman  
Alex Barker  
Jessica Castrodale  
Allan Krusell, MD  
Robert Silver, MD

**Absent:** Walter Vuchnich, DDS

**Staff Present:** Dr. William F. Pilkington, Secretary to the Board  
Dianne Berry, CMC, Clerk to the Board

**Other Staff Present:** Barbara Sheppard, Betty Braxton, Cappie Stanley, Cindy Walker, David Troutman, Dr. Kim Dehler, Jan Odell, Paula Faggart, Robin Lodge, Stacy Vanderburg, Suzanne Knight, Tammie Harkey

### Call to Order

Chairman Phillips called the meeting to order at 5:30 p.m. and gave the invocation.

### ADOPTION OF THE AGENDA

Chairman Phillips noted one revision on the February 9 agenda. Under G, New Business, one additional agenda item has been added: **Approval of Contractor for New CHA Building**. Mrs. Carpenter motioned to approve the revised agenda.

### APPROVAL OF THE MINUTES

Mrs. Carpenter motioned to approve the minutes of the December 8, 2009 meeting of the Cabarrus Health Alliance Board, as presented. The motion passed 4:0

### REPORTS

Chairman Phillips reviewed the following reports: Employee Separations Report, 2<sup>nd</sup> Quarter FY 2010; CHA Customer Satisfaction Survey Report, 2<sup>nd</sup> Quarter FY 2010; CHA Goals & Objectives Report, 2<sup>nd</sup> Quarter FY 2010; Financial Summary Report (for month ending 1/31/10); Comprehensive Annual Financial Report; Clinic Summary Recap, and CHA Grants Awarded FY 2010. Chairman Phillips asked for an explanation on the audit letter of financial statements for Cabarrus Health Alliance for the year ended June 30, 2009, citing certain deficiencies in internal control. Mrs. Harkey explained that the problems were in WIC and Communicable Disease, and attributed both to end of FY expenditures and the inability to get budget revisions in place to reflect this, in time. She added, "we have to predict the best we can. And although this is not a tremendous amount of money or a substantial problem, Potter & Company is required to report."

## **CONSENT AGENDA**

### **BUDGET REVISIONS AND AMENDMENT REQUESTS**

Mrs. Harkey revised the budget revisions and amendment request as presented.

**\$7,000.00** – Funds received from DPH to assist Local Health Departments improve immunization rates and local immunization capacity. Funds will be used to purchase and install commercial refrigerator for vaccine storage. (Communicable Disease Dept.)

**\$52,390.00** – Additional funds from DHHS for WIC program due to increase per participant cost. (WIC Dept.)

**\$27,280.00** – Funds granted by National Association of County and City Health Officials (NACCHO) for participation in the Public Health Accreditation Board as a beta test site. This activity is effective 9/18/09 through 12/31/2010. (General Administration Dept.)

**\$525,013.00** – Funds granted by DPH for H1N1 Phase III activities. These funds are designated to support state, regional, and local mass vaccination and public health responses to the current pandemic or outbreaks of other avian, swine, and human pandemic influenza viruses. (Communicable Disease Dept.)

**\$12,346.00** – Funds received from Women’s Health to support TANF Out-of-Wedlock program activities. (Clinical Services Dept.)

**\$15,000.00** – Funds received from the National Initiative for Children’s Healthcare Quality for participants in the project called “Mobilizing healthcare professionals as community leaders in the fight against childhood obesity”. (Health Initiatives Dept.)

**\$30,000.00** – Additional funds received from Women’s & Children’s Health Branch for the Adolescent Parenting Program. (FCC Dept.)

**\$20,000.00** – Funds received from MURDOCK study for providing site and services. (Clinical Services Dept.)

**\$2,871.00** – Funds received from the Department of Public Health to implement the enforcement of the new no smoking law in restaurants which goes into effect 1/2/2010. (Health Initiatives Dept.)

**\$450.00** – Funds received from the Department of Public Health to provide educational coasters to restaurants and other establishments that serve food and drink, to educate them on the new smoke-free law. (Health Initiatives Dept.)

**\$16,135.00** – Move funds from General Administration (from deleted position) to Information Technology to help cover new position. (General Administration Dept.)

**\$19,845.00** – Funds received from Cabarrus County for immunizations provided to Cabarrus County employees by Cabarrus Health Alliance in the past. (General Administration Dept.)

**\$600,718.00** – Allocate funds from Fund Balance to cover approved purchase of new electronic medical records (EMR) system for clinical services. (Information Technology Dept.)

**\$20,000.00** – Move budgeted funds to appropriate line items to purchase networking hardware which is a prerequisite of other server infrastructure needed for EMR. (Information Technology Dept.)

**\$32,000.00** – Proceeds received from Cabarrus Medical Alliance Golf Tournament fundraiser for School Nurse Program. (School Health Dept.)

**\$200,000.00** – Funds received from the Cannon Foundation to purchase equipment for the dental office that will be located in the new Kannapolis CHA facility. (General Administration Dept.)

Mrs. Castrodale motioned to approve the budget revisions and amendment requests, as presented.

### **APPROVAL OF REVISED JOB CLASSIFICATION SCHEDULE**

Betty Braxton, Human Resources Director, reviewed the revised job classification schedule with board members, noting that the only changes were adding the dental practice manager position, a recommendation from the practice management consultant in the Southern Piedmont Dental Incubator group, and removing all Home Health positions. Dr. Krusell motioned to approve the revised job classification schedule, as presented.

## **OLD BUSINESS**

### **REVIEW OF STANDARDS FOR CHA ORGANIZATIONAL BONUS**

Mrs. Harkey stated that since 1998, the Cabarrus Health Alliance Board has established annual goals for the staff to achieve to receive an organizational bonus. If all goals were met at the end of the fiscal year, a \$1,000 cash bonus was paid to each full-time position and pro-rated based on hours worked for part-time and new hires. The agency has utilized the fund balance to pay the bonus when the net profit did not cover the total cost of the bonus. Mrs. Harkey presented two recommendations to the Board: 1) Set percentage rate of net profit to go to fund balance; 2) Pro-rate amount of bonus paid based on amount of net profit. Mrs. Harkey added that setting these additional requirements would help to maintain a fund balance and increase financial viability of the agency. After a considerable amount of discussion, Mrs. Castrodale made a recommendation to suspend the organizational bonus for one year and revisit February 2011. Dr. Krusell asked Betty Braxton, Human Resources, if this was her recommendation. Mrs. Braxton responded that it is not, and requested the opportunity to come back to the board at a later date with a report and numbers, or asked that the Board consider after the financial report in August 2010. She added that in the letter from Chairman Phillips to staff that accompanied the organizational bonus sent December 2009, they were reminded that the organizational bonus is discretionary, and advised that the CHA Board would review standards for the CHA Organizational Bonus in the near future. Mrs. Harkey suggested that the Board wait and see in May 2010, once the preliminary FY 2011 budget is established, or in September 2010, after the audit for FY 2010. Mrs. Castrodale made the motion to table a decision on review of standards for the CHA Organizational Bonus and Allocation of Proceeds from the sale of Home Health. The motion passed 4:0.

### **UPDATE ON H1N1 IMMUNIZATION PROGRAM**

Jan Odell, RN, provided an update to Board members on H1N1 vaccinations at Cabarrus Health Alliance. We are now coming out of the 2<sup>nd</sup> wave. Cabarrus Health Alliance held 12 clinics, both at the Kannapolis site for high-risk populations, maternity and pediatrics, and at various locations out in the community. She noted that the first wave of vaccine included mostly nasal spray, and the amount of injectable vaccine increased slowly. By the end of November 2009, CHA had administered 4,500 doses of H1N1. In December 2009, H1N1 clinics were held at different public school sites in both Kannapolis City Schools and Cabarrus County Schools, from 3:00 p.m. – 7:00 p.m. CHA did a lot of advertising in the local media, and administered 2,000 doses of H1N1. We also had a lot of success in collaboration with our community partners, including Walgreens. In late December 2009, when stats came in from the state, it appeared that we had administered H1N1 to 11% of the population in Cabarrus County. CHA Clinical staff continues to offer the H1N1 vaccination by appointment or walk-ins. Mrs. Odell stated that Dr. Jeff Engel, State Health Director, is encouraging us to look at minority populations. In January 2010, CHA staff went out the night shelters, soup kitchens, and DSS. Our efforts were fairly productive. CHA is also partnering with the Cabarrus County Senior Centers and Parish Nurses. Mrs. Odell noted that all that staff had read and practiced in prior public health preparedness training was put in to play. They volunteered to work early and stay late, and positive camaraderie developed as a staff. She also stated that communication through the CHA web page about H1N1 was a lifesaver, and thanked Ryan McGhee for his work with Twitter in communication efforts. She noted that 2,000 doses of H1N1 are still available at CHA. Mrs. Castrodale asked Mrs. Odell about lessons learned through her leadership role with H1N1. Mrs. Odell responded that with immunization clinics off-site, we have learned that we must always go completely self-contained. She attributed Cabarrus Health Alliance's success with the H1N1 vaccination clinics and community outreach to a lot of staff members willing and ready to help, with different skills and different talents.

## **NEW BUSINESS**

### **PUBLIC HEALTH ACCREDITATION BOARD BETA TEST**

Cindy Walker explained that Public Health Accreditation Beta Test, and how 30 public health departments through the United States will participate in a test of the national voluntary public health accreditation program, work through the accreditation process, and provide valuable feedback on the process, materials, and tools that will inform the accreditation program's national launch in 2011. She explained that the goal of the public health accreditation program is to improve and protect the health of every community by advancing the quality and performance of public health departments. Mrs. Walker reviewed the Beta Test Time Line, noting that Board support and participation will be needed in the process. Dr. Krusell questioned why Cabarrus Health Alliance is participating in the Beta Test. Dr. Pilkington explained the purpose is to demonstrate that Cabarrus Health Alliance is one of the best health departments in the country. Just like hospitals, we need to get public health up to a certain standard. He added that public health accreditation was a lot of work, but it raised our level of performance.

### **CORPORATE RESOLUTION REVISION – CHIEF FINANCIAL OFFICER RESPONSIBILITIES**

Mrs. Harkey explained that the Corporate Resolution, Section Admn. 002, Chief Executive Officer, outlines the duties of the Chief Executive Officer, but there is nothing written to show that he can delegate financial related responsibilities to the Chief Financial Officer. Mrs. Harkey noted that this issue came out during a recent Public Health Preparedness audit, and this is just a formality that needs to be put into place. Dr. Pilkington added that in the case of a public health emergency, there's always the possibility that he would not be available. Chairman Phillips also requested that in this section of the Corporate Resolution, #6, To evaluate the Chief Executive Officer on an annual basis, the wording in the last sentence be changed to, **Such evaluation should be done by a committee appointed by the Chairman and this report may be delivered in executive session, if appropriate.** Dr. Krusell motioned to approve the Corporate Resolution Revisions, with amendments, as stated.

### **APPROVAL OF FURNITURE FOR NEW CHA BUILDING**

Dr. Pilkington referenced an e-mail from Mike Legg, Kannapolis City Manger, forwarded to the CHA Board in February. Mr. Legg stated that the TIF bond looks good, and if everything goes well, construction on the new CHA building at the North Carolina Research Campus could begin within 120 days. Mrs. Harkey noted that a pre-bid meeting was hosted by CHA on March 13, 2009, and eight vendors presented proposals: Steelcase, OI, OM Workspace, Alfred Williams & Company, CBI, CEBI, JMA and BI. She stated that the recommendation to the CHA Board is to award the bid to Alfred Williams & Company, pending approval of the proposed TIF bonds. The Herman Miller product, provided by Alfred Williams, provides high performance contact fabric which is mildew, bacterial and disinfectant resistant, yet the furniture remain warm and inviting with a residential feel. Herman Miller & Company also includes a 12 year warranty. Dr. Pilkington invited Stacy Vanderburg, CHA Interior Designer, to come to the February 9 meeting, and bring a display of Alfred Williams office furniture for review and approval. Dr. Pilkington noted that the furniture bids are now less than \$1 million, and he recommended that the total of \$914,265.20 be allocated into the budget. He reiterated that a contract would be signed with Alfred Williams only if the funds were available through the TIF bonds. He also stated that this purchase price will be honored by Alfred Williams until December 2010. Mrs. Vanderburg noted that Alfred Williams office furniture is very ergonomic. Dr. Pilkington added that we looked at furniture that can be easily cleaned, and puncture resistant – first rate furniture that will last. Dr. Krusell motioned to approve the bid proposal by Alfred Williams & Company, submitted March 13, 2009 for a total of \$914,265.20, pending approval of the TIF bonds. The motion was approved, in a voiced vote, 4:0.

**APPROVAL OF CONTRACTOR FOR NEW BUILDING**

Dr. Pilkington stated that on October 13, 2009, the CHA Board was informed that since the guaranteed bid timeframe had expired for original bid proposals, CHA had to re-bid for a contractor for the new building. Cox Schepp Construction came in at \$700,000 less than original bids, for a total cost of \$7.7 million. He added that William M. Caldwell, II, President of the Caldwell Division of Cox Schepp Construction, Inc., sent a letter on January 25, 2010, stating that they will honor their bid price through April 1, 2010. Dr. Pilkington stated that based on this information, it is recommended that pending approval of the proposed TIF funds, the bid for contractor be awarded by formal letter of intent, to Cox Schepp Construction, Inc. Mrs. Castrodale motioned to approve Cox Schepp as the contractor for the new building at the NC Research Campus for a total of \$7.7 million, pending approval of the TIF funds.

**ANNOUNCEMENTS**

Dr. Pilkington announced that County Health Rankings in North Carolina were received yesterday, and that out of 100 counties, Cabarrus County was listed #9 and in the top 10. He stated that the national release is scheduled for February 27.

There being no further business to come before the Board, Chairman Phillips adjourned the meeting at 6:57 p.m.



Charles C. Phillips, Chairman  
Cabarrus Health Alliance Board

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Dianne P. Berry, CMC  
Clerk to the Board