

**PASQUOTANK COUNTY, NORTH CAROLINA
NOVEMBER 22, 1999**

The Pasquotank County Board of Commissioners met today in a regular meeting on Monday, November 22, 1999 in the Commissioners' Board Room in the Pasquotank County Courthouse.

MEMBERS PRESENT: Jimmie Dixon, Chairman
Hugh W. Clinkscales, Vice-Chairman
Horace C. Pritchard, Sr.
W.C. Witherspoon
Levin B. Culpepper
Sam Davis III
Matt Wood

MEMBERS ABSENT: None

OTHERS PRESENT: Randy Keaton, County Manager
Donald I. McRee, Jr., County Attorney
Rodney Bunch, Planning Director/Assistant County Manager

The meeting was called to order at 7:03 PM by Chairman Jimmie Dixon. Commissioner W.C. Witherspoon gave the invocation and led in the Pledge of Allegiance to the American Flag.

**1. APPROVAL OF MINUTES OF NOVEMBER 1 AND NOVEMBER 16, 1999
COMMISSIONER MEETINGS:**

The minutes of the November 1 and November 16, 1999 Commissioner meetings were presented for Board approval.

Motion was made by W.C. Witherspoon, seconded by Sam Davis to approve the minutes of the November 1 and November 16, 1999 Commissioner meetings as presented. The motion carried unanimously.

**2. COMMENTS REGARDING BIDS FOR FURNITURE FOR HEALTH AND
SOCIAL SERVICES BUILDING:**

Chairman Dixon recognized Mr. Bill Summerour, owner of Mickey's Sales of Service. Mr. Summerour said his company recently submitted a bid to supply furniture for the new Health and Social Services Building. He questioned a particular piece of furniture included in the specifications and the fact that the low bidder had bid on something inferior to what was specified. Mr. Rodney Bunch explained that the contractor who was the low bidder will have to verify that he submitted bids on the equipment that was specified or a comparable item. If it is determined that the low bidder did not meet the specs, then the architect would likely recommend that the furniture be re-bid. Mr. Summerour suggested before the Board accepts the low bid that it should talk to the architect to be sure the low bidder is providing an equal piece of furniture. Mr. Bunch provided information from the architect regarding the furniture and the process for bidding on substitutes. He said the architect has recommended awarding the contract based on the original bid amount. An additional 20 seats that will be needed will be negotiated with the contractor at a later date. After discussion;

Motion was made by Sam Davis, seconded by Matt Wood to table awarding the bid for the furniture for the Health and Social Services Building until additional information is received in order to make a decision. The motion carried unanimously.

3. APPROVAL OF FINANCE COMMITTEE RECOMMENDATIONS:

a. Bids for Banking Services

The Finance Committee recommended that the Board approve the bid submitted by Centura Bank for the provision of banking services subject to additional negotiations. Finance Officer Sheri Bulman had contacted Centura after the Finance Committee meeting and Centura informed her that the bid was their lowest possible bid. The total annual cost to the county for Centura's banking services will be approximately \$2,000 while the next lowest bidder was approximately \$11,000. Ms. Bulman has recommended that the Board accept the bid submitted by Centura Bank.

b. Budget Amendments

The Finance Committee has recommended approval of the following budget amendments:

Child Abuse Coordinator

Increase	010.0230.4370.01	Child Abuse Coordinator	31,000.00
Increase	010.5860.5261.00	Departmental Supplies	5,500.00
Increase	010.5860.5310.00	Travel	16,500.00
Increase	010.5860.5440.00	Contracted Services	8,450.00
Increase	010.5860.5500.00	Capital Outlay	550.00

Economic Development

Increase	010.0220.4329.00	Natural Gas Commission	2,449.59
Increase	010.4920.5625.20	Natural Gas Study	2,449.59

c. Elizabeth City Fire & Recreation Contracts

The Finance Committee has recommended that the Board approve a proposal to Elizabeth City to extend the current fire and recreation contracts by an additional year with a 5% increase in the payments made by the county to the city. The amount of the fire contract for 2000-01 would be \$202,585 and the amount of the recreation contract would be \$179,651.

d. Lease on Medical Building

The Finance Committee has recommended that the Board authorize an extension of the lease with Bill and Dora White for the Medical Building on a month to month basis at the same terms and conditions as the existing lease. It is anticipated that the Medical Building will be needed by the county approximately two more months before the old Social Services Building will be available for the Probation Departments.

e. Request for Extension of Leave Accumulation

The Finance Committee has recommended that the Board approve an extension of the leave accumulation for personnel in the EMS Department due to the fact that EMS is currently short of personnel because of various illnesses and injuries, and remaining personnel are not able to take annual leave.

f. Proposal for Engineering Services

The Finance Committee has recommended that the Board approve a contract with McDowell & Associates in the amount of \$145,000 to design the sewer line from the Pasquotank County wastewater treatment plant to the Elizabeth City wastewater treatment plant.

g. GIS Internet Application

The Finance Committee reviewed the proposal for a public access GIS application with a total project cost of \$15,000. The funds for the project would be taken from the contingency line item.

h. Tax Releases and Refunds

The following tax releases and refunds have been recommended by the Finance Committee:

Releases:

		County	City
1.	Riverview Est. Dev. Co.	1,385.12	
2.	Paul R. Herman	103.51	
3.	William Chester Hatcher	181.39	
4.	Natasha Brown Spellman		111.89
5.	Marilyn W. Barclift	147.42	117.18
6.	Affordable Vehicles	337.88	268.58
7.	Affordable Vehicles	801.08	680.36
8.	Affordable Vehicles	455.88	378.91

Refunds:

		County	City
1.	Marilyn W. Barclift	137.97	117.18
2.	Danny Robin Patrick	*278.61	*146.70

**Corrected amounts received from Tax Office since the meeting.*

Motion was made by Levin Culpepper, seconded by Horace Pritchard to approve *items a* thru *h* as recommended by the Finance Committee. The motion carried unanimously.

The following tax releases and refunds less than \$100 have been approved by the Finance Officer since the last meeting:

Releases:

		County	City
1.	Durward L. Whitehead	50.95	
2.	Durward L. Whitehead	46.65	
3.	Daniel H. Lynam	29.96	30.98
4.	Daniel H. Lynam		20.56
5.	Wayne M. & Joann D. Perry	62.40	
6.	Sally Tincher Ballenger	27.13	
7.	Sally Tincher Ballenger	22.70	
8.	Reginald Lionel Parker	14.08	
9.	Elizabeth City Jaycees Inc.	95.00	
10.	Elizabeth City Jaycees Inc.	95.00	
11.	Sarah Lee Vick	17.68	23.59
12.	William H. & Kathleen Thomas	18.72	
13.	Cedric Lanier Griffin	88.14	
14.	Cedric Griffin Lfe Est	63.18	
15.	Bradley Humphries		16.03
16.	Kathleen M. Hayden	3.00	
17.	Kathleen M. Hayden	11.49	
18.	Kathleen M. Hayden	12.15	
19.	Kathleen M. Hayden	21.97	
20.	Kathleen M. Hayden	21.14	
21.	Kathleen M. Hayden	19.34	
22.	Kathleen M. Hayden	21.60	
23.	Kathleen M. Hayden	19.95	
24.	A.T. & Ola W. Banks	92.59	
25.	James A. Brooks	13.04	
26.	James A. Brooks	14.71	
27.	Ruby Iris Figgs	6.40	5.08
28.	Debra Willenbring Chepan	39.51	
29.	David Allen Sawyer	5.46	4.34
30.	Marshall T. Purvis	21.72	
31.	Marshall T. Purvis	19.24	
32.	Cedric Griffin Lfe Est	95.00	
33.	Cedric Griffin Lfe Est	95.00	
34.	Cedric Griffin Lfe Est	66.28	
35.	James Edward Hines	4.67	
36.	Jose Luis Varzacs Gonzales	26.60	21.15
37.	Bruce Lee Allen	14.04	18.21
38.	James Kendrick Judge	27.38	
39.	Theressa Mae Overton	2.98	
40.	Wilburn B. Mikeal	19.50	15.50
41.	Michael Roy Self	28.40	
42.	Carlos A. Ortiz Collazo	83.77	

43.	Nancy Brooks Tisdale	58.82	46.75
44.	Michael C. Frame	30.59	
45.	Michael C. Frame	17.89	
46.	Michael Christopher Frame	91.96	
47.	Thomas Daniel Bowman, Jr.	35.65	
48.	Marc Alan Robert	43.65	
49.	Rodney Lee Meads	5.07	
50.	Gregory Dwight Brown	71.41	56.77
51.	Paul Louis Goss, Jr.	60.84	48.36
52.	Sandra Lee Kaplan	67.64	57.45
53.	Joseph Perry, Jr.	8.31	12.82
54.	Freddie Lee Powell	62.78	53.26
55.	Cheryl Beth Wahl	11.27	13.66
56.	William Gibbs	33.48	
57.	Diane Cordero	48.91	43.87
58.	Abraham Silva	34.29	
59.	Abraham Silva	33.11	
60.	Abraham Silva	30.28	
61.	Abraham Silva	33.67	
62.	Abraham Silva	31.07	
63.	William Louis Tadlock	5.74	
64.	Gary Donald Mutzabaugh	21.77	
65.	Gary Donald Mutzabaugh	28.05	
66.	Abraham Silva	4.10	
67.	Bernard Layton Grothues	22.67	18.02
68.	Kelly Rae Nichelson	56.71	
69.	James Anthony Cammett	5.50	
70.	L.A. Harris, Jr.	95.00	
71.	Richard Lee Carlisle	35.93	
72.	James Louis Riley, Sr.	15.91	
73.	Mary Cooper Bundy	29.18	
74.	Mary Cooper Bundy	32.57	
75.	Mary Cooper Bundy	30.07	
76.	Randall Thomas Campbell	86.43	78.41
77.	Jerry Burke	56.21	47.74
78.	Jerry Burke	24.09	

Refunds:

		County	City
1.	Lina S. Larson Lfe Est	58.09	
2.	Donna Scott Pritchard	84.15	
3.	Arlene Morley Sperandeo	89.79	81.26

The following requests for release or refund of the solid waste availability fee have been approved by the Tax Administrator:

OWNERS NAME	PARCEL ID NUMBER	REASON FOR RELEASE
Maurice K. Berry, Jr.	P97-26	Unoccupied for 10 years; used for storage
Maurice K. Berry, Jr.	P37-15	Never occupied; used for storage

4. APPROVAL OF CHANGE IN JANUARY MEETING DATES:

The Board considered changing the January meeting dates from the first and third Mondays to the second and fourth Mondays due to Christmas and New Year's holidays and the Martin Luther King holiday.

Motion was made by Sam Davis, seconded by Horace Pritchard to change the regular January, 2000 Commissioner meetings to January 10 and January 24. The motion carried unanimously.

5. CONSIDERATION OF PROPOSAL FROM ELIZABETH CITY FOR ANIMAL CONTROL TRUCK:

The Board was provided a copy of a letter from the city containing a proposal for payment of the city's share of the cost for a new Animal Control truck. County Manager Randy Keaton explained when the city prepared its budget which was completed before the county's budget, they had not included their half of the cost of replacing the Animal Control truck. After the county billed the city for half of the truck, city staff took the budget amendment before City Council, however City Council did not approve the budget amendment. City Council instead approved a first year payment of \$1,907, representing one-fifth of the five-year life for the truck. Mr. Keaton stated that the City Manager informed him that City Council will be looking at whether or not to begin handling its own animal control rather than continuing in a joint animal control venture with the county. If the Council decides to continue with the county it will pay the balance of its cost of the truck, \$7,628, before the end of the fiscal year. The Board discussed the proposal to determine the county's response.

Motion was made by Jimmie Dixon, seconded by W.C. Witherspoon to advise the City Council that the city must come up with all of its share of the funds to purchase the Animal Control truck now or to start its own Animal Control program now.

Commissioner Levin Culpepper suggested that the county simply inform the City Council that the proposal it has presented is not satisfactory and that the county would like for the city to provide the full amount of its share of the cost for the Animal Control truck. Commissioner Matt Wood suggested that Sheriff Cartwright negotiate with the city and try to determine what the city's concerns are regarding Animal Control. The Board concurred to have Sheriff Cartwright meet with the city.

Motion was made by Sam Davis, seconded by Matt Wood to defer consideration until the next regular meeting of the motion that the City come up with its share of the funds to purchase the Animal Control truck now. The motion carried unanimously.

The Board also discussed the county's provision of Animal Control services for Camden County on a \$35 per call basis. Sheriff Cartwright noted that additional manpower will be needed in order to continue to provide Animal Control for Camden County. The County Manager had advised that he believes Camden County may be interested in operating a joint Animal Control Department with the county beginning in July.

Motion was made by Horace Pritchard, seconded by Matt Wood to advise Camden County that effective January 1, 2000 the county will stop providing Animal Control services for Camden County, subject to renegotiating the agreement with Pasquotank County to provide the services. The motion carried unanimously.

6. GIS INTERNET APPLICATION:

The County Manager said under the Finance Committee recommendations the Board had approved the proposal for public access GIS application at a cost of \$15,000. He said that County Assessor Bill Stevens had attended a conference last week and obtained more information about this technology from other counties and he requested that Mr. Stevens provide more information and clarification to the Board. Mr. Stevens reported that the only urgency at this point is that the county is in the process of transferring data to the new computer system and if the county has plans to implement this public access system, it needs to implement the new PIN number which exists currently in GIS systems. It was noted that the Board has already approved the proposal.

7. AIDS MEMORIAL QUILT:

The County Manager reported that the Library is going to have some panels from the AIDS Memorial Quilt in honor of World AIDS Day on December 1. The Health Department's Jeff Jones Consortium has extended invitations to the public to view the quilt at the Library.

8. SUMMARY OF DUES AND SUBSCRIPTIONS:

The County Manager had provided Commissioners with a copy of a report detailing the expenditures for dues and subscriptions from the Governing Board's budget. He said it appears

that the overage is due to the additional money paid to the Institute of Government for its building fund.

9. FORESTRY REPORT:

The County Manager called attention to the annual report for the 1998-99 fiscal year from the Forest Service included in the agenda packets. He noted that Forest Ranger Ron Cline usually appears at a Commissioner meeting and presents his annual report in person, however was not able to attend a meeting. He said that Mr. Cline had informed him if anyone has questions regarding the report to give him a call.

10. COOPERATIVE EXTENSION DINNER:

The Board reviewed three dates proposed by the Cooperative Extension Service to host the annual dinner and program for the County Commissioners. After reviewing the dates, the Board selected Wednesday, February 2, 2000 at 6:00 PM as the time for the dinner. The Finance Committee meeting on that day would be moved to 4:00 PM.

11. HURRICANE FLOYD UPDATE:

The County Manager provided the Board with a copy of an update on assistance provided to individuals affected by Hurricane Floyd. He reported that the funds have been distributed from the Governor's Fund to cover unmet needs that were not covered by insurance or FEMA. A committee consisting of individuals from various agencies determined how the funds would be distributed.

12. RESOLUTION SUPPORTING SECOND CONNECTOR ROAD FOR BYPASS:

County Attorney Ike McRee presented a resolution he had been requested to draft supporting a second connector road at Main Street Extended for the U.S. 17 Bypass. The resolution requests that the project be funded in the 2000-2002 Transportation Improvement Plan.

Motion was made by Matt Wood, seconded by Sam Davis to adopt the resolution supporting a second connector road for the bypass. The motion carried unanimously and the following resolution was adopted.

JOINT RESOLUTION SUPPORTING
INCLUSION OF MAIN STREET EXTENDED
CONNECTOR ROAD (SR 1333) IN
TRANSPORTATION IMPROVEMENT PLAN
(PROJECT #3420)

WHEREAS, the County of Pasquotank and City of Elizabeth City appreciate the progress of the U.S. Highway 17 By-pass construction and the planning and funding for the Halstead Boulevard connector road to the by-pass; and

WHEREAS, the County of Pasquotank and City of Elizabeth City are concerned that there is only one connector road from U.S. Highway 17 By-pass to the largest city in Northeastern North Carolina; and

WHEREAS, the 2000-2006 Transportation Improvement Plan omits funding for the Main Street Extended connector road which omission is detrimental to the continuing economic and social well-being of the County of Pasquotank and City of Elizabeth City.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners for the County of Pasquotank, North Carolina and the City Council for the City of Elizabeth City, North Carolina that both bodies urge the North Carolina Department of Transportation to include and fund the Main Street Extension connector road in the 2000-2006 Transportation Improvement Plan.

ADOPTED by the Board of Commissioners for the County of Pasquotank, North Carolina the 22nd day of November, 1999.

13. UPDATE FROM ECONOMIC DEVELOPMENT COMMISSION:

Chairman Dixon recognized Mr. Bill Prince, Executive Director for the Elizabeth City-Pasquotank County Economic Development Commission who gave an update on Economic Development Commission activities.

14. ALBEMARLE COMMISSION:

Commissioner Horace Pritchard reported that Albemarle Commission is considering the appointment of an interim director due to the resignation of Mr. Dave Parrotte. He said Albemarle Commission will begin advertising for a new director in the near future.

15. COOPERATOR OF THE YEAR AWARD:

Commissioner Sam Davis stated that the Commissioners' packet contained the Annual Report for the Albemarle Soil & Water Conservation District which detailed an award presented to Commissioner Horace Pritchard as the Albemarle District's Cooperator of the Year Award. Commissioner Pritchard received the award for his assistance with the Newland Water Management Project. The Board commended Mr. Pritchard on his award.

16. DISPLAY CASE FOR PLAQUES:

Chairman Dixon suggested that the county purchase a display case for the front hallway of the Courthouse to display plaques that the Board has received over the years such as the recent Outstanding County Commissioners plaque received from the School Boards Association.

Motion was made by W.C. Witherspoon, seconded by Sam Davis to purchase a display case to display plaques and awards received by the Board. The motion carried unanimously.

17. RC&D COUNCIL:

Commissioner Levin Culpepper reported that he attended the annual banquet of the RC&D Council last week at the Vernon James Center.

18. DEPARTMENT OF TRANSPORTATION TIP MEETING:

Commissioner Culpepper reported that he, Commissioner Wood, and Chairman Dixon attended the Department of Transportation TIP meeting in Edenton last week. He said that Chairman Dixon presented Pasquotank County's request for a second connector road for the Elizabeth City Bypass. He added that he was disappointed that the City of Elizabeth City and the Chamber of Commerce were not represented at the meeting to support Chairman Dixon's request. Commissioner Culpepper said prior to the next TIP meeting in this area, the three bodies should get together and develop a specific proposal. Commissioner Matt Wood added that coordination with the Economic Development Commission would also be beneficial.

19. U.S. HIGHWAY 17 IN VIRGINIA:

Commissioner Davis noted that he was pleased to see a letter from Congressman Walter Jones in the Commissioners' packets regarding U.S. 17 in Virginia. He thanked Chairman Dixon for his efforts on this issue. Chairman Dixon responded that he has also received a letter from Senator John Edwards and will provide copies of it to the Board members. He said in addition he has talked with Senator Jesse Helms' office, and Senator Helms will be sending letters to Governor Gilmore and Senator Warner requesting their support.

20. MEETING WITH HOSPITAL BOARD:

Chairman Dixon said he was contacted by Mr. Phil Donahue, Chairman of the Albemarle Hospital Board of Trustees, regarding a joint meeting of the two boards during the next couple of weeks. County Attorney Ike McRee said he has not been able to confirm when Mr. David Bowerman of KPMG will be available to meet, but should receive confirmation tomorrow, after which the meeting can be scheduled.

21. SOCIAL FOR MARC BASNIGHT:

Chairman Dixon reminded Board members of an upcoming social for Senator Marc Basnight on Saturday, December 4 at noon at the Wanchese Seafood Park. He urged all Commissioners to attend if possible.

22. LEASE WITH GEORGE WOOD FARMS:

Sheriff Randy Cartwright informed the Board that George Wood Farms has agreed to allow the Sheriff's Department to use a parcel of its property as a firing range. He said labor and materials have been donated to construct the range to state specifications. He presented a proposed lease agreement with George Wood Farms to lease the property to the Sheriff's Department for \$1.00 per year. The County Attorney recommended that Commissioner Matt Wood be excused from consideration of this issue due to a conflict of interest.

Motion was made by Sam Davis, seconded by W.C. Witherspoon to excuse Commissioner Matt Wood from considering the lease agreement with George Wood Farms. The motion carried.

Motion was made by Sam Davis, seconded by Hugh Clinkscales to approve a lease agreement with George Wood Farms for \$1.00 per year for the use of property for a firing range for the Sheriff's Department. The motion carried.

23. LOCKUP SPACE:

Sheriff Cartwright reported to the Board that there is not sufficient lockup space in the Courthouse for prisoners on days there is a heavy court schedule. He said the judges have suggested that the county provide additional holding cell space. Chairman Dixon requested that the Building and Grounds Committee, along with the Sheriff and the County Manager, study this issue and try to determine how more lockup space can be provided in the Courthouse.

24. CLOSED SESSION TO CONSULT WITH COUNTY ATTORNEY TO PRESERVE THE ATTORNEY CLIENT PRIVILEGE AND TO DISCUSS THE LOCATION OR EXPANSION OF A BUSINESS OR INDUSTRY:

Chairman Dixon asked if there was any further business to come before the Board in Regular Session. There being no further business, he asked for a motion that the Board enter Closed Session to consult with the County Attorney in order to preserve the attorney client privilege and to discuss the location or expansion of a business or industry in the county.

Motion was made by W.C. Witherspoon, seconded by Horace Pritchard that the Board enter Closed Session to consult with the County Attorney in order to preserve the attorney client privilege and to discuss the location or expansion of a business or industry in the county. The motion carried unanimously.

Upon the end of Closed Session;

Motion was made by Sam Davis, seconded by Horace Pritchard that the Board return to Regular Session. The motion carried unanimously.

The meeting was adjourned at 9:20 PM.

CHAIRMAN

CLERK

**PASQUOTANK COUNTY, NORTH CAROLINA
DECEMBER 1, 1999**

The Pasquotank County Board of Commissioners met today in a special meeting on Wednesday, December 1, 1999 at the Pasquotank County Cooperative Extension Building

MEMBERS PRESENT: Jimmie Dixon, Chairman
Hugh W. Clinkscales, Vice-Chairman
Horace C. Pritchard, Sr.
W.C. Witherspoon
Levin B. Culpepper
Sam Davis III
Matt Wood

MEMBERS ABSENT: None

OTHERS PRESENT: Randy Keaton, County Manager
Donald I. McRee, Jr., County Attorney
Rodney Bunch, Planning Director/Assistant County Manager
Sheri Bulman, Finance Officer
Karen Jennings, Clerk to the Board

The meeting was called to order at 3:35 PM by Chairman Jimmie Dixon who asked for a motion that the Board enter Closed Session to preserve the attorney client privilege.

Motion was made by Sam Davis, seconded by Levin Culpepper that the Board enter Closed Session to preserve the attorney client privilege. The motion carried unanimously.

County Attorney Ike McRee advised the Board that the purpose of the Closed Session should also be to prevent the disclosure of information that is privileged and confidential pursuant to G.S. 131E-97.3.

Motion was made by Levin Culpepper, seconded by Sam Davis that the purpose of the Board's Closed Session also be to prevent the disclosure of information that is privileged and confidential pursuant to G.S. 131E-97.3. The motion carried unanimously.

Upon the end of Closed Session;

Motion was made by Hugh Clinkscales, seconded by Levin Culpepper that the Board return to Regular Session. The motion carried unanimously.

Members of the Albemarle Hospital Board of Trustees and Hospital administrative staff joined the meeting at this time. Chairman Dixon welcomed everyone and stated that the Board of Commissioners would like to bring closure to a matter that has been discussed for a long time regarding the future of Albemarle Hospital. County Attorney Ike McRee introduced Mr. Bob Wilson, an attorney practicing in the area of healthcare law with the firm Smith Helms Mulliss & Moore; and Mr. David Bowerman of the accounting firm KPMG. He said that Mr. Bowerman will present a broad overview of his study. Mr. Bowerman stated that his firm was asked by Pasquotank County to take a look at the financial situation of Albemarle Hospital to help estimate a lease payment that could be made to the county. He said that a fairly comprehensive request for data was sent to the hospital and returned to KPMG with a lot of good information. The information was reviewed and analyzed and discussed with Hospital administration. Mr. Bowerman said he shared several observations with the Board of Commissioners: 1) they were extremely impressed with the financial performance and management of the Hospital; 2) there has been a fairly substantial amount of reinvestment in the Hospital's physical plant over the last few years which has enhanced the quality of the services and the perception of the Hospital; 3) the Hospital enjoys a relatively high market share; and 4) for the last couple of years there had not been a price increase. Mr. Bowerman said the methodology used in determining a lease payment amount was to look at the cash flows that the Hospital could generate over a period of time based on projections of supply and demand which would result in profits from operations. He said the Hospital must make a continuous reinvestment in the physical plant to maintain,

enhance, and to provide more services. He stated that once cash flow from operations of \$10 to \$12 million per year had been projected, and reinvestment costs of \$4 to \$4.5 million, or about 6% of the revenue, have been deducted, up to \$4 to \$5 million of cash flow would be available for a lease payment.

Lengthy discussion followed with comments by the Commissioners and questions by the Hospital Board and staff. Chairman Dixon advised the Hospital Board that the Board of Commissioners appreciates the way the Hospital has been managed and operated over the years. He said the Commissioners have been discussing a restructuring of the Hospital and a lease arrangement with the county. He explained that from the information provided and the many discussions over the past months the Board has reached a consensus that it will request a \$3.5 million annual lease payment from the Hospital to the county for a period of ten years. The county would in turn resume its \$1.5 million annual note payment to the Hospital. The agreement would be re-negotiated at the end of ten years. Chairman Dixon stated that the structure of the Hospital has not yet been determined and he suggested that a committee consisting of members of the Board of Commissioners and members of the Hospital Board be established to study the restructure and make a recommendation to the Board of Commissioners. Both groups concurred with the recommendation.

The meeting was adjourned at 6:30 PM.

CHAIRMAN

CLERK