

Public Service Announcement

In order to maintain the safety of County residents, the Watauga County Board of Commissioners Meeting scheduled for 5:30 P.M. on Tuesday, February 16, 2021, will be conducted electronically. The Board Packet, including the agenda, is available on the County's website at:

http://www.wataugacounty.org/App_Pages/Dept/BOC/boardpacket.aspx

The public may access this meeting by

Calling: +1 929 205 6099 and entering the following:

Meeting ID: 828 1803 7111

Password: 12345

OR

Clicking the following link:

<https://us02web.zoom.us/j/82818037111?pwd=K0lBbGh5a3ZuRDhKc05hcEZwVGZoUT09>

The County is making every effort to ensure that the public is able to, not only listen to the meeting, but also to participate in the public comment portion. You may submit public comments by email to: public.comments@watgov.org or by mail to:

Clerk to the Board of Commissioners
814 West King Street, Suite 205
Boone, NC 28607

Public comments received by 5:00 P.M. on Monday, February 15, 2021, will be available to view by the time of the meeting (February 16, 2021, at 5:30 P.M.) on the County's website at: http://www.wataugacounty.org/App_Pages/Dept/BOC/boardpacket.aspx

This meeting also includes a public hearing to allow citizen comment with respect to not to exceed \$120,000,000 public finance authority health care facilities revenue bonds (Appalachian Regional Healthcare System Obligated Group), series 2021, for the benefit of Appalachian Regional Healthcare System and Watauga Medical Center In order to speak during the public hearing, please call 828-265-8000 by 5:00 P.M. on Monday, February 15, 2021, and sign up by giving your name and either your onscreen name or phone number from which you will be calling to participate. Once the public hearing is called to order, the Chairman will call the name of those signed up when it is their turn to speak. Comments on the public hearing may also be submitted, through Wednesday, February 17, 2021, by email to: public.comments@watgov.org or by mail to: Clerk to the Board of Commissioners, 814 West King Street, Suite 205, Boone, NC 28607.

A recording of this meeting will be available by 5:00 P.M. on Wednesday, February 17, 2021, on the County's website at:

http://www.wataugacounty.org/App_Pages/Dept/BOC/boardpacket.aspx

**TENTATIVE AGENDA & MEETING NOTICE
BOARD OF COUNTY COMMISSIONERS**

**TUESDAY, FEBRUARY 16, 2021
5:30 P.M.**

**ELECTRONIC MEETING ORIGINATING FROM THE
WATAUGA COUNTY COMMUNITY RECREATION CENTER
COMMUNITY ROOM**

TIME	#	TOPIC	PRESENTER	PAGE
5:30	1	CALL REGULAR MEETING TO ORDER		
	2	APPROVAL OF MINUTES: February 2, 2021, Regular Meeting February 2, 2021, Closed Session February 8 & 9, 2021, Special Meeting (Retreat)		1
	3	APPROVAL OF THE FEBRUARY 16, 2021, AGENDA		11
5:35	4	PUBLIC HEARING TO ALLOW CITIZEN COMMENT WITH RESPECT TO NOT TO EXCEED \$120,000,000 PUBLIC FINANCE AUTHORITY HEALTH CARE FACILITIES REVENUE BONDS (APPALACHIAN REGIONAL HEALTHCARE SYSTEM OBLIGATED GROUP), SERIES 2021, FOR THE BENEFIT OF APPALACHIAN REGIONAL HEALTHCARE SYSTEM AND WATAUGA MEDICAL CENTER	MR. JIM DEAL MR. TOM DALE MR. CHUCK MANTOOTH	13
5:40	5	PROPOSED RESOLUTION APPROVING IN PRINCIPLE THE ISSUANCE OF NOT TO EXCEED \$120,000,000 OF PUBLIC FINANCE AUTHORITY HEALTH CARE FACILITIES REVENUE BONDS (APPALACHIAN REGIONAL HEALTHCARE SYSTEM OBLIGATED GROUP), SERIES 2021, FOR THE BENEFIT OF APPALACHIAN REGIONAL HEALTHCARE SYSTEM AND WATAUGA MEDICAL CENTER	MR. JIM DEAL MR. TOM DALE MR. CHUCK MANTOOTH	19
5:45	6	PROPOSED FIFTH AMENDMENT TO WATAUGA MEDICAL CENTER LEASE AGREEMENT	MR. JIM DEAL MR. TOM DALE MR. CHUCK MANTOOTH	25
5:50	7	CORONAVIRUS (COVID-19) COMMUNITY UPDATE	MS. JENNIFER GREENE	65
5:55	8	WATAUGA COUNTY PUBLIC LIBRARY ANNUAL REPORT	MS. MONICA CARUSO	67
6:00	9	TAX MATTERS A. Monthly Collections Report B. Refunds and Releases	MR. LARRY WARREN	79 81
6:05	10	SHERIFF'S OFFICE FY 21-22 VEHICLE PURCHASE REQUEST	MAJOR KELLY REDMON	89
6:10	11	MISCELLANEOUS ADMINISTRATIVE MATTERS A. Designation of Unassigned Fund Balance from the Fiscal Year 2020 Audit B. Boards and Commissions C. Announcements	MR. DERON GEOUQUE	99 101 103

TIME	#	TOPIC	PRESENTER	PAGE
6:15	12	PUBLIC COMMENT	BY WRITTEN SUBMISSION	104
6:20	13	BREAK		104
6:25	14	CLOSED SESSION Attorney/Client Matters – G. S. 143-318.11(a)(3) Land Acquisition – G. S. 143-318.11(a)(5)(i)		104
6:30	15	ADJOURN		

AGENDA ITEM 2:

APPROVAL OF MINUTES:

February 2, 2021, Regular Meeting

February 2, 2021, Closed Session

February 8 & 9, 2021, Special Meeting (Annual Pre-Budget Retreat)

DRAFT**MINUTES****WATAUGA COUNTY BOARD OF COMMISSIONERS
TUESDAY, FEBRUARY 2, 2021**

The Watauga County Board of Commissioners held a regular meeting, as scheduled, on Tuesday, February 2, 2021, at 5:30 P.M. remotely with the meeting originating in the Community Room located in the Watauga County Community Recreation Center, Boone, North Carolina.

Vice-Chairman Kennedy called the remote electronic meeting to order at 5:35 P.M. The following were present:

PRESENT: Billy Kennedy, Vice-Chairman
Carrington Peralion, Commissioner
Charlie Wallin, Commissioner
Larry Turnbow, Commissioner
Anthony di Santi, County Attorney
Deron Geouque, County Manager
Anita J. Fogle, Clerk to the Board

[Clerk's Note: Chairman Welch was not in attendance due to a family matter.]

Commissioner Wallin opened with a prayer and Commissioner Turnbow led the Pledge of Allegiance.

APPROVAL OF MINUTES

Vice-Chairman Kennedy called for additions and/or corrections to the January 19, 2021, regular meeting and closed session minutes.

Commissioner Turnbow, seconded by Commissioner Peralion, moved to approve the January 19, 2021, regular meeting minutes as presented.

VOTE: Aye-4(Kennedy, Peralion, Turnbow, Wallin
Nay-0
Absent-1(Welch)

Commissioner Turnbow, seconded by Commissioner Peralion, moved to approve the January 19, 2021, closed session minutes as presented.

VOTE: Aye-4(Kennedy, Peralion, Turnbow, Wallin
Nay-0
Absent-1(Welch)

APPROVAL OF AGENDA

Vice-Chairman Kennedy called for additions and/or corrections to the February 2, 2021, agenda.

Commissioner Wallin, seconded by Commissioner Pertalion, moved to approve the February 2, 2021, agenda as presented.

VOTE: Aye-4(Kennedy, Pertalion, Turnbow, Wallin
Nay-0
Absent-1(Welch)

CORONAVIRUS (COVID-19) COMMUNITY UPDATE

Ms. Jennifer Greene, AppHealthCare Director, provided an update on the Coronavirus (COVID-19). The report was for information only and, therefore, no action was required.

WATAUGA COUNTY SCHOOLS CAPITAL IMPROVEMENT PLAN (CIP) FUNDS REQUEST

Ms. Ly Marze, Watauga County School Finance Director, requested the release of \$1,185,000 from the School Capital Improvement Plan (CIP) balance for the following projects:

Project	Amount
Pavement Repair/Resurface	\$160,000
Security Cameras	\$100,000
Mobile Unit	\$125,000
Lights at WHS Stadium	\$175,000
Turf Replacement at WHS	\$450,000
1:1 Devices	\$175,000

Discussion was held as to the expected lifetime of the turf for the stadium. County Manager Geouque stated that the current turf at Watauga High School (WHS) was approximately ten years old. The longevity of turf was determined by required standards for use as well as the amount of use. The County Manager stated that, for example, Appalachian State University had replaced the stadium turf after every seven years whereas the County's recreational field at Brookshire was approximately ten to twelve years old and currently still in use.

Commissioner Turnbow, seconded by Commissioner Pertalion, moved to release \$1,185,000 from the School Capital Improvement Plan (CIP) fund balance as requested by Ms. Marze.

VOTE: Aye-4(Kennedy, Pertalion, Turnbow, Wallin
Nay-0
Absent-1(Welch)

PROPOSED COMMUNITY DEVELOPMENT BLOCK GRANT COVID-RELIEF (CDBG-CV) PROGRAM MATTERS

A. CDBG-CV Compliance Documents

Mr. Joe Furman, Planning and Inspections Director, presented the following proposed ordinance, policies, and resolutions as required by the Division of Community Assistance for the Community Development Block Grant-COVID Relief (CDBG-CV) program:

1. 504/ADA Grievance Procedure
2. Section 3 Plan – Local Economic Benefit....
3. Procurement Policy
4. Code of Conduct
5. Residential Anti-displacement Policy
6. Optional Coverage Relocation Plan
7. Optional Coverage Resolution (for the OCR Plan)
8. Project Ordinance
9. Equal Employment & Procurement Plan
10. Complaint Procedure
11. Language Access Plan
12. Fair Housing Plan
13. Fair Housing Complaint Procedure
14. Fair Housing Analysis of Impediments

Ms. Michelle Ball, Regional Planner with High Country Council of Governments, stated that the grant was for a thirty-six-month period. Mr. Furman stated that most of the funds would be dispensed within six months.

When asked about the inclusion of funds for mental health, Ms. Ball stated that funds were planned for Daymark and Hospitality House to assist with mental health issues. Mr. Furman stated that funds for housing needs would be allocated to W.A.M.Y. Community Action which provided assistance in preventing evictions for tenants and foreclosures for homeowners.

Commissioner Peralion, seconded by Commissioner Turnbow, moved to adopt the ordinance, policies, and resolutions for the Community Development Block Grant-COVID Relief (CDBG-CV) program funds as presented by Mr. Furman.

VOTE: Aye-4(Kennedy, Peralion, Turnbow, Wallin
Nay-0
Absent-1(Welch)

B. Proposed Agreement with High Country Council of Governments for Administration of the CDBG-CV Program

Mr. Furman presented a proposed agreement with the High Country Council of Governments to administer the Community Development Block Grant-COVID Relief (CDBG-CV) program. Mr. Furman stated that Ms. Michelle Ball would be the administrator of the program.

Commissioner Turnbow, seconded by Commissioner Peralion, moved to approve the agreement with the High Country Council of Governments for grant administration of the Community Development Block Grant-COVID-CV (CDBG-CV) program as presented by Mr. Furman.

VOTE: Aye-4(Kennedy, Peralion, Turnbow, Wallin
Nay-0
Absent-1(Welch)

UPDATED NC DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS)/COUNTY MEMORANDUM OF UNDERSTANDING (MOU) PURSUANT TO G. S. 108A-74

Mr. Tom Hughes, DSS Director, presented an updated Memorandum of Understanding (MOU) with the North Carolina Department of Health and Human Services (NCDHHS) for all social services programs. Mr. Hughes stated that he believed NCDHHS had made reasonable adjustments to their expectations (since the introduction of the first MOU which was not accepted by Watauga County) and that percentages were now achievable by local program units.

During discussion, Mr. Hughes stated that he planned to ask for an additional supervisory position which would allow his Department to meet the standards of the MOU. Mr. Hughes recommended approval of the MOU.

Commissioner Turnbow, seconded by Commissioner Peralion, moved to accept the Memorandum of Understanding as presented by Mr. Hughes.

VOTE: Aye-4(Kennedy, Peralion, Turnbow, Wallin)
Nay-0
Absent-1(Welch)

MISCELLANEOUS ADMINISTRATIVE MATTERS

A. Tentative Agenda for Annual Pre-Budget Retreat

County Manager Geouque presented a draft agenda for the upcoming Pre-Budget Retreat. The County Manager stated that the process of preparing and compiling the information for the Retreat had already begun; however, the agenda could be modified prior to the Retreat based on input from the Board or the County Manager receiving additional items for consideration.

B. Boards and Commissions

County Manager Geouque presented the following:

Boone Rural Fire Protection Service District Board and the Watauga County Planning Board

Each Commissioner nominates a representative to the Boone Rural Fire Protection Service District Board and the Watauga County Planning Board whose terms run concurrent with the term of the appointing Commissioner. Planning Board members must live within the appointing Commissioner's District and action must be taken by the entire Board of Commissioners to make these appointments. Boone Rural Fire Service District Board members must own property and

reside within the Fire Service District. This was a reminder as Commissioner Pertalion and Commissioner Turnbow have appointments to make to the Boone Rural Fire Service District Board and Vice-Chairman Kennedy to the Planning Board.

Local Firefighters Relief Fund Board of Trustees

Cove Creek Fire Chief Chris Hicks requested that the appointment of Mr. Andrew Ellis to the Local Firefighters Relief Fund Board of Trustees.

Commissioner Turnbow, seconded by Commissioner Wallin, moved to waive the second reading and appoint Mr. Andrew Ellis to the Local Firefighters Relief Fund Board of Trustees.

VOTE: Aye-4(Kennedy, Pertalion, Turnbow, Wallin)
Nay-0
Absent-1(Welch)

C. Announcements

County Manager Geouque announced the following:

- The Annual Pre-Budget Retreat would be held on February 8, 2021, from 12:00 to 7:00 P.M. and February 9, 2021, from 9:00 A.M. to 1:00 P.M. The virtual meeting would originate from the Community Room in the Community Recreation Center.
- Watauga County Parks and Recreation teamed up with Hospitality House, Casting Bread, and Hunger & Health Coalition to collect food items. If interested in participating, please drop items off at the new Community Recreation Center (CRC) between 8:00 A.M. and 5:00 P.M. through Friday, February 12, 2021.
- A copy of a letter of support for the partnership with Caldwell Hospice to bring an inpatient hospice facility to the High Country region.

Commissioner Turnbow announced that a public hearing was scheduled at 5:30 P.M. on February 16, 2021. The public hearing was in respect to the not to exceed \$120,000,000 public finance authority health care facilities revenue bonds (Appalachian Regional Healthcare System obligated group), series 2021, for the benefit of Appalachian Regional Healthcare System and Watauga Medical Center.

PUBLIC COMMENT

No public comment was received.

CLOSED SESSION

At 6:39 P.M., Commissioner Pertalion, seconded by Commissioner Wallin, moved to enter Closed Session to discuss Attorney/Client Matters, per G. S. 143-318.11(a)(3) and Land Acquisition, per G. S. 143-318.11(a)(5)(i).

VOTE: Aye-4(Kennedy, Pertalion, Turnbow, Wallin)
Nay-0
Absent-1(Welch)

Commissioner Pertalion, seconded by Commissioner Wallin, moved to resume the open meeting at 7:43 P.M.

VOTE: Aye-4(Kennedy, Pertalion, Turnbow, Wallin
Nay-0
Absent-1(Welch)

ADJOURN

Commissioner Turnbow, seconded by Commissioner Wallin, moved to adjourn the meeting at 7:43 P.M.

VOTE: Aye-4(Kennedy, Pertalion, Turnbow, Wallin
Nay-0
Absent-1(Welch)

Billy Kennedy, Vice-Chairman

ATTEST:

Anita J. Fogle, Clerk to the Board

DRAFT**MINUTES****WATAUGA COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING****MONDAY, FEBRUARY 8, 2021, & TUESDAY, FEBRUARY 9, 2021**

The Watauga County Board of Commissioners held a special meeting on Monday, February 8, 2021, and Tuesday, February 9, 2021, in order to conduct a budget retreat to review goals and objectives for the County. The meetings originated in the Community Room at the Community Recreation Center, Boone, North Carolina.

PRESENT: John Welch, Chairman
 Billy Kennedy, Vice-Chairman
 Carrington Pertalion, Commissioner
 Charlie Wallin, Commissioner
 Larry Turnbow, Commissioner
 Deron Geouque, County Manager
 Misty Watson, Finance Director

Lunch was provided at 12:00 P.M. Chairman Welch called the meeting to order on Monday, February 8, 2021, at 1:05 P.M., welcoming those in attendance. Charlie Wallin arrived at 1:20 P.M.

The following topics were discussed:

Opening Remarks

Mr. Deron Geouque

FY 2021 Review and Discussion of 2022 Budget

Ms. Misty Watson

1. Revenues
2. Expenditures
3. Debt Service Report
4. Budget Calendar
5. Special Appropriations

Review of Current Capital Improvement Plan (CIP)

Mr. Deron Geouque & Mr. Robert Marsh

1. Current CIP Status Report
2. Courtroom # 2 Renovations
3. Valle Crucis Elementary School
4. East Annex Building Program
5. Courthouse and Administration Roof Replacements
6. County Facilities Assessment Update
7. Courthouse Parking
8. Recreation Fields

- a. Tennis Courts
 - b. Basketball Courts
 - c. Pickleball Courts
9. Community Recreation Center Update
 10. Library
 11. Habitat Road Request
 12. School Facilities

Break from 2:58 P.M. to 3:25 P.M.

Chairman Welch rejoined the meeting at 3:41 P.M. due to a prior commitment during the break.

Sanitation Matters

Mr. Rex Buck

1. Organics Recycling Market Study
2. Facility Upgrades

Caldwell Community College & Technical Institute

Dr. Mark Poarch

Tourism Development Authority (TDA)

Mr. Matt Vincent and Mr. Wright Tilley

Appalachian District Health

Ms. Jennifer Greene

Watauga Medics

Mr. Craig Sullivan

1. Annual Report
2. Future Needs

Public Safety and Emergency Communications Systems Study Update

Mr. Will Holt

County Manager's Summary

Mr. Deron Geouque

A recess was declared at 6:28 P.M. The meeting reconvened on Tuesday, February 9, 2021, at 9:07 A.M.

Middle Fork Greenway Update

Ms. Wendy Patoprsty

Minimum Housing Standards

Mr. Joe Furman

Census 2020

Mr. Joe Furman

Broadband Update

Mr. Joe Furman

2022 Revaluation

Mr. Larry Warren

Employee Compensation and Retention Plan

Mr. Deron Geouque

Break from 10:30 A.M. to 10:38 A.M.

School Board Funding Issues

Superintendent Dr. Scott Elliott, School Board Members: Dr. Gary Childers, and Dr. Jay Fenwick, as well as Staff members: Ms. Ly Marze, Mr. Jeff Troxler, Ms. Tamara Stamey, and Dr. Stephen Martin

1. FY 2022 Funding Needs
2. Schools' Capital Improvement Plan

Miscellaneous & Commissioner Matters

Mr. Deron Geouque

Wrap up, Goals, Objectives, and Board Directives

Budget work sessions were set for May 13, 2021, from 12:00 to 8:00 P.M. and May 14, 2021, from 9:00 A.M.-1:00 P.M.

The County Manager concluded the retreat by reviewing the issues discussed and seeking direction from the Board for Fiscal Year 2021-2022.

The meeting adjourned at 11:46 A.M.

John Welch
Chairman, Watauga County Board of Commissioners

ATTEST:
Deron Geouque
County Manager

AGENDA ITEM 3:

APPROVAL OF THE FEBRUARY 16, 2021, AGENDA

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AGENDA ITEM 4:**PUBLIC HEARING TO ALLOW CITIZEN COMMENT WITH RESPECT TO NOT TO EXCEED \$120,000,000 PUBLIC FINANCE AUTHORITY HEALTH CARE FACILITIES REVENUE BONDS (APPALACHIAN REGIONAL HEALTHCARE SYSTEM OBLIGATED GROUP), SERIES 2021, FOR THE BENEFIT OF APPALACHIAN REGIONAL HEALTHCARE SYSTEM AND WATAUGA MEDICAL CENTER****MANAGER'S COMMENTS:**

A public hearing has been scheduled to allow citizen comment regarding the Appalachian Regional Healthcare System and Watauga Medical Center request to utilize Public Finance Authority Healthcare Facilities Revenue Bonds to finance and refinance capital improvements not to exceed \$120,000,000. The purpose of the financing is for a new Central Energy Plant and a hospital wing, which will include new surgical operating and patient care rooms. The term of the bond for the hospital improvements is anticipated to be thirty-five (35) years and the lease is required to be five (5) years longer than the bond. The Board of Trustees is requesting an extension of twenty-seven (27) years with the expiration date changing from 2034 to 2061.

Memorandum

TO: County of Watauga, North Carolina
County Manager: Deron Geouque (deron.geouque@watgov.org)
Clerk to the Board: Anita Fogle (anita.fogle@watgov.org)

FROM: Jeffrey A. Poley and Carlos E. Manzano

DATE: January 19, 2021

RE: Public Hearings/Resolutions for Appalachian Regional Healthcare System and Watauga Medical Center

Introduction

On behalf our clients, the Appalachian Regional Healthcare System, Inc. and Watauga Medical Center, Inc. (collectively, the “Borrowers”), we are requesting that the Board of Commissioners of the County hold a public hearing and adopt a resolution to help the Borrowers finance and refinance capital improvements for Watauga Medical Center (such improvements, the “Project”) located at 336 Deerfield Road, Boone, North Carolina 28607 in the County.

The Borrowers

The Borrowers are nonprofit entities and organizations described under Section 501(c)(3) of the Internal Revenue Code that own and operate the Project. The Borrowers intend to finance the Project with the help of tax-exempt “qualified 501(c)(3) bonds” issued by the Public Finance Authority. The purpose of using these bonds is to lower financing costs for the Borrowers.

The Public Finance Authority

The Public Finance Authority (“PFA”) is a nonprofit corporation and political subdivision of the State of Wisconsin. PFA is a conduit issuer of municipal revenue bonds with the ability to assist private and public borrowers across the country. PFA issues conduit revenue bonds for the benefit of private users. Repayment of the bonds is the obligation of the private user only. The proceeds of these revenue bonds may be used for commercial enterprises of any kind, and the interest on the bonds may be exempt from federal income taxation. PFA has issued bonds in over 175 North Carolina projects; including projects for Cone Health, Wake Forest Baptist Medical Center, WakeMed, Iredell Memorial Hospital and Blue Ridge Healthcare System.

Requirement for County Action

Federal tax laws require that the elected legislative body (or highest elected representative) of the governmental unit that has jurisdiction over the area in which a project to be financed with tax-exempt bonds issued by PFA is located approve the issuance of the bonds by PFA and the financing of the Project. Prior to this approval, a public hearing must be held so that the public is given the opportunity to comment on the bonds and the Project.

The Bonds are not and will not be deemed to constitute a debt of the County or a pledge of the faith and credit of the County, and are payable solely from the revenues and other funds generated by the Health System. Because no taxes or other revenues of the County are pledged to pay these bonds, the staff of the County does not need to do a financial analysis of the Bonds, the Borrowers or the Health System.

Request of County

We request that the County hold a public hearing on the Project and their related bonds. After the public hearing, we request that the Board of Commissioners adopt a resolution that approves PFA's issuance of the bonds and the financing of the Project in the County. **The resolution will provide that: (1) the bonds do not constitute a debt of the County; nor a charge against its general credit or taxing power and (2) the bonds are not an obligation or liability of the County.**

Specifically, we are requesting that the public hearing occur on the February 16, 2021 Board of Commissioner's meeting and that the resolution approving the issuance of the bonds be adopted at the February 16, 2021 meeting. Notices of public hearing and the resolution to be adopted have be provided in advance of these meetings.

Questions

Please feel free to contact Jeff Poley at 919-835-4659 (jeffpoley@parkerpoe.com) if you have any questions. In addition, please feel free to contact Joe Richardson (828-262-4144/jrichardson@apprhs.org) as the Director of Financial Planning and Reimbursement of the Appalachian Regional Healthcare System.

**NOTICE OF PUBLIC HEARING WITH RESPECT TO NOT TO EXCEED
\$120,000,000 PUBLIC FINANCE AUTHORITY HEALTH CARE FACILITIES
REVENUE BONDS (APPALACHIAN REGIONAL HEALTHCARE SYSTEM
OBLIGATED GROUP), SERIES 2021, FOR THE BENEFIT OF APPALACHIAN
REGIONAL HEALTHCARE SYSTEM AND WATAUGA MEDICAL CENTER**

Notice is hereby given that on February 16, 2021, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), will be held by the Board of Commissioners of the County of Watauga, North Carolina (the “Board of Commissioners”) with respect to the proposed issuance by the Public Finance Authority (the “Authority”) of its Health Care Facilities Revenue Bonds (Appalachian Regional Healthcare System Obligated Group), Series 2021 (the “2021 Bonds”), in an amount not to exceed \$120,000,000. The hearing will commence at 5:30 p.m. or as soon thereafter as the matter can be heard, and will be held remotely originating from the Community Room located in the Watauga County Community Recreation Center, 231 Complex Drive, Boone, North Carolina 28607.

The public hearing will be conducted electronically on Tuesday, February 16, 2021 at 5:30 pm through ZOOM. **The live hearing can be accessed at <https://us02web.zoom.us/j/82818037111?pwd=K0lBbGh5a3ZuRDhKc05hcEZwVGZoUT09>** **The conference call number is 1-929-205-6099 Meeting ID: 828 1803 7111, Password: 12345 or call toll-free at 1-866-716-6599 (Passcode: 919-835-4659).** In order to speak during the public hearing, please call 828-265-8000 by 5:00 P.M. on Monday, February 15, 2021, and sign up by giving your name and either your onscreen name or the phone number from which you will be calling to participate. Once the public hearing is called to order, the Chairman will call the name of those who are signed up when it is their turn to speak. Comments on the public hearing may also be submitted, through Wednesday, February 17, 2021, by email to: public.comments@watgov.org or by mail to: Clerk to the Board of Commissioners, 814 West King Street, Suite 205, Boone, NC 28607.

The 2021 Bonds are expected to be issued pursuant to Section 66.0304 of the Wisconsin Statutes, as amended, by the Authority, a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended. The proceeds from the sale of the 2021 Bonds will be loaned to the Appalachian Regional Healthcare System, Inc., a non-profit corporation and organization described in Section 501(c)(3) of the Code (the “Parent”), and Watauga Medical Center, Inc., a non-profit corporation and organization described in Section 501(c)(3) of the Code (together with the Parent, the “Borrowers”). The proceeds of the 2021 Bonds, which 2021 Bonds shall constitute “qualified 501(c)(3) bonds” within the meaning of Section 145(a) of the Code, will be used by the Borrowers to (1) finance and refinance capital improvements for Watauga Medical Center (such improvements, the “Project”), located at 336 Deerfield Road, Boone, Watauga County, North Carolina 28607 (the “WMC Facility Campus”), (2) finance interest on the 2021 Bonds and (3) pay certain fees and expenses incurred in connection with the issuance of the 2021 Bonds.

The Project will be located on the WMC Facility Campus and will be owned and operated by the Borrowers.

The public hearing will provide an opportunity for all interested persons to express their views, both orally and in writing, on the proposed issuance of the 2021 Bonds and the financing of the Project. Any person interested in the issuance of the 2021 Bonds and the financing of the Project may appear and be heard or submit written comments. Any person wishing to submit written comments regarding the proposed issuance of the 2021 Bonds and the financing of the Project should do so prior to February 17, 2021, by mailing such written comments to the County Manager's Office, 814 West King Street, Suite 205, Boone, North Carolina 28607. This notice is given pursuant to the provisions of Section 147(f) of the Code, Section 66.0304(11)(a) of the Wisconsin Statutes and Section 4 of the Amended and Restated Joint Exercise of Powers Agreement Relating to the Authority. Additional information concerning the Project may be obtained from Jeffrey A. Poley, Esq., 301 Fayetteville Street, Suite 1400, Raleigh, NC 27601; Phone (919) 835-4659; Email Address: jeffpoley@parkerpoe.com.

/s/ John Welch

Chairman of Commissioners of the County of
Watauga, North Carolina

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AGENDA ITEM 5:

PROPOSED RESOLUTION APPROVING IN PRINCIPLE THE ISSUANCE OF NOT TO EXCEED \$120,000,000 OF PUBLIC FINANCE AUTHORITY HEALTH CARE FACILITIES REVENUE BONDS (APPALACHIAN REGIONAL HEALTHCARE SYSTEM OBLIGATED GROUP), SERIES 2021, FOR THE BENEFIT OF APPALACHIAN REGIONAL HEALTHCARE SYSTEM AND WATAUGA MEDICAL CENTER

MANAGER'S COMMENTS:

The Watauga Medical Center Board of Trustees is requesting the Board adopt the enclosed resolution approving the issuance of a revenue bond not to exceed \$120,000,000 in accordance with the Public Finance Authority for Healthcare Facilities. The bonds shall not be deemed to constitute a debt of the County or a pledge of the faith and credit of the County. As such, the approval of this bond would have no impact on the potential debt service for the new Valle Crucis Elementary School.

Board action is required to approve the resolution as presented.

**RESOLUTION APPROVING IN PRINCIPLE THE
ISSUANCE OF NOT TO EXCEED \$120,000,000 OF PUBLIC
FINANCE AUTHORITY HEALTH CARE FACILITIES
REVENUE BONDS (APPALACHIAN REGIONAL
HEALTHCARE SYSTEM OBLIGATED GROUP), SERIES
2021, FOR THE BENEFIT OF APPALACHIAN REGIONAL
HEALTHCARE SYSTEM AND WATAUGA MEDICAL
CENTER**

WHEREAS, the Board of Commissioners (the “*Board of Commissioners*”) of Watauga County, North Carolina (the “*County*”) met in Boone, North Carolina, at 5:30 p.m. on the 16th day of February, 2021; and

WHEREAS, the Public Finance Authority (the “*Authority*”) has tentatively agreed to issue its Health Care Facilities Revenue Bonds (Appalachian Regional Healthcare System Obligated Group), Series 2021 in one or more series (the “*Bonds*”), in an amount not to exceed \$120,000,000, for the benefit of Appalachian Regional Healthcare System, Inc., a non-profit corporation and organization described in Section 501(c)(3) of the Code (the “*Parent*”), and Watauga Medical Center, Inc., a non-profit corporation and organization described in Section 501(c)(3) of the Code (together with the Parent, the “*Borrowers*”) to (1) finance the capital costs of (a) expanding the Watauga Medical Center (“*WMC*”) to include four new floors that will include an imaging and women’s health suite, an operating suite, and 48 new patient beds, (b) renovating the existing Sterile Processing Department and Emergency Department Admitting & Waiting room, (c) acquiring, constructing and equipping (i) a central energy plant on the WMC campus and associated site improvements, (ii) an 8,005 square foot Enhanced Cardiology Suite, and (iii) a new infusion suite, (d) relocating certain health care facilities and equipment including the ICU suite and associated patient beds, and the nursery, and (e) improving associated surface parking, traffic signalization, and greenways on the WMC campus located at 336 Deerfield Road, Boone, Watauga County, North Carolina 28607 (collectively and as further defined in the following recital, the “*Project*”), (2) refinance certain interim indebtedness incurred for initial costs of the Project, (3) fund a portion of the interest accruing on the Bonds, and (4) pay certain costs of issuance of the Bonds; and

WHEREAS, the Project will be owned and operated by the Borrowers; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “*Code*”) requires that any bonds issued by the Authority for the Project may only be issued after approval of the plan of financing by the Board of Commissioners of the County following a public hearing with respect to such plan; and

WHEREAS, the statute under which the Authority is created (the “*Act*”) requires that any bonds issued by the Authority to refinance the Project may only be issued after approval of the plan of financing of the Project by the Board of Commissioners of the County; and

WHEREAS, the Board of Commissioners has today held a public hearing with respect to the issuance of the Bonds, the proceeds of which will be used to finance and refinance the Project, as evidenced by the Certificate and Summary of Public Hearing attached hereto as Exhibit A; and

WHEREAS, the Borrowers will agree to repay the principal, premium, if any, and interest on the Bonds and the County will have no liability whatsoever for the payment of principal of, premium, if any, or interest on the Bonds, and the Bonds will not affect the County’s debt ratios or legal debt limit and the County will not incur any liability for repayment of the Bonds by approving the Bonds for purposes of Section 147(f) of the Code; and

WHEREAS, the Bonds shall not be deemed to constitute a debt of the County or a pledge of the faith and credit of the County, but shall be limited obligations of the Authority payable solely from the loan repayments to be made by the Borrowers to the Authority, and shall contain on the face thereof a statement to the effect that neither the faith and credit nor the taxing power of the County is pledged to the payment of the principal of or interest on the Bonds; and

WHEREAS, the Board of Commissioners has determined that approval of the issuance of the Bonds is solely to satisfy the requirements of Section 147(f) of the Code and the Act and shall in no event constitute an endorsement of the Bonds or the Project or the creditworthiness of the Borrowers, nor shall such approval in any event be construed to obligate the County for the payment of the principal of or premium or interest on the Bonds or for the performance of any pledge, mortgage or obligation or agreement of any kind whatsoever which may be undertaken by the Authority, or to constitute the Bonds or any of the agreements or obligations of the Authority an indebtedness of the County, within the meaning of any constitutional or statutory provision whatsoever;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS FOR WATAUGA COUNTY, NORTH CAROLINA:

1. The proposed issuance of the Authority’s Health Care Facilities Revenue Bonds (Appalachian Regional Healthcare System Obligated Group), Series 2021, in an amount not to exceed \$120,000,000, a portion of the proceeds of which will be loaned to the Borrowers and used to finance and refinance the Project, is hereby approved for purposes of Section 147(f) of the Code and the Act.
2. This resolution shall take effect immediately.

* * * * *

I, Anita Fogle, Clerk to the Board of Commissioners for Watauga County, North Carolina DO HEREBY CERTIFY that the foregoing is a true and complete copy of so much of the proceedings of the Board of Commissioners for the County at a regular meeting duly called and held February 16, 2021, as it relates in any way to the resolution hereinabove set forth, and that said proceedings are recorded in Minute Book ____ of the minutes of the Board. Pursuant to N.C.G.S. § 143-318.12, a current copy of a schedule of regular meetings of the Board is on file in my office.

WITNESS my hand and the common seal of said County, this 16th day of February, 2021.

Anita Fogle, Clerk to the Board
Watauga County, North Carolina, Board of
Commissioners

(SEAL)

Exhibit A

Certificate and Summary

The undersigned Clerk of the Board of Commissioners of Watauga County, North Carolina, hereby certifies:

1. Notice of a public hearing (the "*Hearing*") to be held on February 16, 2021, with respect to the issuance of bonds by the Public Finance Authority (the "*Authority*") for the benefit Appalachian Regional Healthcare System and Watauga Medical Center (collectively, the "*Borrowers*") was published on _____, 2021, in the _____.

2. The presiding officer of the Hearing was _____.

3. The following is a list of the names and addresses of all persons who spoke at the Hearing:

4. The following is a summary of the oral comments made at the Hearing:

5. The following is a summary of the written comments made with respect to the Hearing:

IN WITNESS WHEREOF, my hand and the seal of Watauga County, North Carolina, this _____, day of _____, 2021.

Clerk, Board of Commissioners of
Watauga County, North Carolina

(SEAL)

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AGENDA ITEM 6:**PROPOSED FIFTH AMENDMENT TO WATAUGA MEDICAL CENTER LEASE AGREEMENT****MANAGER'S COMMENTS:**

The Watauga Medical Center Board of Trustees has requested an amendment, (5th Amendment to Lease Agreement), to the lease for Watauga County Medical Center. Staff's understanding of the reason for the extension is that the lease is required as a part of the hospital's bond financing for the new Central Energy Plant and hospital wing, which will include new surgical operating and patient care rooms. The term of the bond for the hospital improvements is anticipated to be thirty-five (35) years and the lease is required to be five (5) years longer than the bond. The Board of Trustees is requesting an extension of twenty-seven (27) years with the expiration date changing from 2034 to 2061.

The amendment has met all advertising requirements and is able to be approved at this time. Board action is required to approve the 5th Amendment to the lease modifying the expiration date from 2034 to 2061.

RETURN TO: Robert L. Wilson, Jr., Nelson Mullins Riley & Scarborough LLP, 4140 Parklake Avenue, GlenLake One | Second Floor, Raleigh, North Carolina 27612

FIFTH AMENDMENT TO LEASE AGREEMENT

THIS FIFTH AMENDMENT TO LEASE AGREEMENT (“Fifth Amendment”) is made and entered into effective as of the ____ day of February, 2021, by and between WATAUGA COUNTY, a body politic, organized and existing under and by virtue of the laws of the State of North Carolina (“Lessor”), and WATAUGA MEDICAL CENTER, INC., a North Carolina nonprofit corporation (“Lessee”).

Recitals:

A. Lessor and Lessee entered into a Lease Agreement for a term of thirty (30) years beginning on November 5, 1990 (the “Lease”);

B. The Lease has been amended by Lessor and Lessee on June 16, 1992, on July 1, 1996, on June 1, 2004, and on November 16, 2010, constituting four (4) previous, separate amendments thereto, the Third Amendment of which extended the term of the Lease until November 4, 2034;

C. By mutual agreement, and in accordance with the provisions of N.C. Gen. Stat. § 131E-7(d), Lessor and Lessee wish to amend the Lease further as herein stated in order to revise and extend further the term hereof.

D. Lessor and Lessee have elected to reduce the amendment to writing as herein stated.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. The definition of the term of the Lease as stated in the habendum clause of the Lease shall be amended as follows:

For a period beginning on the 5th day of November, 1990, and ending on the 4th day of November, 2061, under the terms and conditions as set forth herein.

2. Section 5, which was amended by the Fourth Amendment to the Lease, shall be further amended by deleting and replacing Section 5 as follows:

5. Lessee further agrees that if Lessee ceases to operate a hospital at the leased site, Lessee vacates the premises, or ceases its function at the leased premises, and as a result thereof Lessor elects to terminate the Lease, then and in that event, Watauga Medical Center, Inc. shall donate, transfer, deliver, and convey all its monies, properties, and other assets to the said County of Watauga to be used by said County exclusively for the accomplishment of the purpose of

providing a Community Hospital Service for the people of Watauga County, and prior to such Lease termination, including a termination by mutual agreement, if applicable, Lessor first shall take such actions as then may be required to assume Lessee's obligations under the Master Trust Indenture and related documents of the North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Appalachian Regional Healthcare System) Series 2011A, any other bonds issued by the North Carolina Medical Care Commission, or any other bonds issued by any other bond issuer on behalf of Lessee, to fund improvements of the leased premises. Lessee and Lessor agree that specific performance shall be a remedy for breach of this provision of this Lease.

3. Except as hereinabove amended, the Lease, as amended, shall remain in full force and effect.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Fifth Amendment to be executed as by law provided, as of the day and year first above written.

LESSOR:

WATAUGA COUNTY

By: _____

John Welch
Chairman, Board of County Commissioners

ATTEST:

Anita J. Fogle, Clerk to the Board

[COUNTY SEAL]

LESSEE:

WATAUGA MEDICAL CENTER, INC.

By: _____

Chuck Mantoath, President

ATTEST:

JoLynn M. Mahoney, Secretary

[CORPORATE SEAL]

STATE OF NORTH CAROLINA

COUNTY OF WATAUGA

I, _____, Notary Public, do hereby certify that _____ personally came before me this day and acknowledged that she is Clerk to the Board of County Commissioners for Watauga County, a body politic organized and existing under and by virtue of the laws of the State of North Carolina, and that by authority duly given, and as the act of the said Watauga County, the foregoing instrument was signed in its name by the Chairman of the Board of County Commissioners, sealed with its corporate seal, and attested by herself as its Clerk.

Witness my hand and notarial seal, this the ____ day of _____, 20__.

Notary Public

My commission expires: _____

STATE OF NORTH CAROLINA

COUNTY OF WATAUGA

I, _____, Notary Public, do hereby certify that JoLynn M. Mahoney personally came before me this day and acknowledged that she is Secretary of Watauga Medical Center, Inc., a North Carolina nonprofit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by its Secretary.

Witness my hand and notarial seal, this the ____ day of _____, 20__.

Notary Public

My commission expires: _____

Article 2.

Public Hospitals.

Part 1. Municipal Hospitals.

§ 131E-5. Title and purpose.

(a) This Part shall be known and may be cited as the "Municipal Hospital Act."

(b) The purpose of this Part is to authorize municipalities to construct, operate and maintain hospitals and other facilities which furnish hospital, clinical and similar services to the people of this State. It is also the purpose of this Part to authorize municipalities to cooperate with other public and private agencies and with each other. Additionally, it is the purpose of this Part to authorize municipalities to accept assistance from State and federal agencies and from other sources.

(c) This Part provides an additional and alternative method for municipalities to establish facilities that furnish hospital, clinical and similar services. This Part shall not be regarded as repealing any powers now existing under any other law, either general, special or local.

(d) This Part shall be construed liberally to effect its purposes. (1983, c. 775, s. 1.)

§ 131E-6. Definitions.

As used in this Part, unless otherwise specified:

- (1) "City", as defined in G.S. 160A-1(2), means a municipal corporation organized under the laws of this State for the better government of the people within its jurisdiction and having the powers, duties, privileges, and immunities conferred by law on cities, towns, and villages. The term "city" does not include counties or municipal corporations organized for a special purpose under any statute or law. The word "city" is interchangeable with the words "town" and "village" and shall mean any city as defined in this subdivision without regard to the terminology employed in charters, local acts, other portions of the General Statutes, or local customary usage.
- (2) "Community general hospital" means a short-term nonfederal hospital that provides diagnostic and therapeutic services to patients for a variety of medical conditions, both surgical and nonsurgical, such services being available for use primarily by residents of the community in which it is located.
- (3) "Corporation, foreign or domestic, authorized to do business in North Carolina" means any of the following:
 - a. A corporation for profit or having a capital stock which is created and organized under Chapter 55 of the General Statutes or any other general or special act of this State.
 - b. A foreign corporation which has procured a certificate of authority to transact business in this State pursuant to Article 10 of Chapter 55 of the General Statutes.
 - c. A limited liability company formed under Chapter 57D of the General Statutes.
 - d. A foreign limited liability company that has procured a certificate of authority to transact business in this State pursuant to Article 7 of Chapter 57D of the General Statutes.

- (4) "Hospital facility" means any one or more buildings, structures, additions, extensions, improvements or other facilities, whether or not located on the same site or sites, machinery, equipment, furnishings or other real or personal property suitable for health care or medical care; and includes, without limitation, general hospitals; chronic disease, maternity, mental, tuberculosis and other specialized hospitals; nursing homes, including skilled nursing facilities and intermediate care facilities; adult care homes for the aged and disabled; public health center facilities; housing or quarters for local public health departments; facilities for intensive care and self-care; clinics and outpatient facilities; clinical, pathological and other laboratories; health care research facilities; laundries; residences and training facilities for nurses, interns, physicians and other staff members; food preparation and food service facilities; administrative buildings, central service and other administrative facilities; communication, computer and other electronic facilities; fire-fighting facilities; pharmaceutical and recreational facilities; storage space; X ray, laser, radiotherapy and other apparatus and equipment; dispensaries; utilities; vehicular parking lots and garages; office facilities for hospital staff members and physicians; and such other health and hospital facilities customarily under the jurisdiction of or provided by hospitals, or any combination of the foregoing, with all necessary, convenient or related interests in land, machinery, apparatus, appliances, equipment, furnishings, appurtenances, site preparation, landscaping, and physical amenities.
- (4a) "Hospital land" means air and ground rights to real property held either in fee or by lease by a municipality, with all easements, rights-of-way, appurtenances, landscaping, and physical amenities such as utilities, parking lots, and garages, but excluding other improvements to land described in subsection (4) of this section and G.S. 131E-16(15).
- (5) "Municipality" means any county, city, or other political subdivision of this State, or any hospital district created under Part C of this Article.
- (6) "Nonprofit association" or "nonprofit corporation" means any association or corporation from which no part of the net earnings inures or may lawfully inure to the benefit of a private shareholder or individual. (1983, c. 775, s. 1; 1997-233, s. 1; 2014-115, s. 56(a).)

§ 131E-7. General powers.

(a) A municipality shall have all the powers necessary or convenient to carry out the purposes of this Part, including the following powers, which are in addition to the powers granted elsewhere in this Part:

- (1) To construct, equip, operate, and maintain hospital facilities;
- (2) To levy property taxes pursuant to G.S. 153A-149 or G.S. 160A-209 and to allocate those and other revenues whose use is not otherwise restricted by law to fund hospital facilities; a hospital district may levy annually a tax on property having a situs in the district under the rules and according to the procedures prescribed in the Machinery Act, Chapter 105 of the General Statutes, Subchapter II, and a hospital district may allocate those and other revenues whose use is not otherwise restricted by law to fund hospital facilities;

- (3) To issue bonds and notes pursuant to the Local Government Finance Act, Chapter 159 of the General Statutes, for the financing of hospital facilities;
- (4) To use property owned or controlled by the municipality;
- (5) To acquire real or personal property, including existing hospital facilities, by purchase, grant, gift, devise, lease, condemnation, or otherwise;
- (6) To establish a fee schedule for services received from hospital facilities and to make services available regardless of ability to pay.

(b) A municipality or a public hospital may contract with or enter into any arrangement with other public hospitals or municipalities of this or other states, the State of North Carolina, federal, or public agencies, or with any person, private organization, or nonprofit corporation or association for the provision of health care. The municipality or public hospital may pay for or contribute its share of the cost of any such contract or arrangement from revenues available for these purposes, including revenues rising from the provision of health care.

(c) Any two or more municipalities may enter into agreements to jointly exercise the powers, privileges, and authorities granted by this Part. These agreements may provide for:

- (1) The appointment of a board, composed of representatives of the parties to the agreement, to supervise and manage a hospital facility;
- (2) The authority and duties of the board and the compensation of its members;
- (3) The proportional share of the costs of acquisition, construction, improvement, maintenance, or operation of hospital facilities;
- (4) The duration, amendment, and termination of the agreement and the disposition of property on termination of the agreement; and
- (5) Any other matters as necessary.

(d) A municipality may lease any hospital facility, or part, to a nonprofit association on terms and conditions consistent with the purposes of this Part. The municipality will determine the length of the lease. No lease executed under this subsection shall be deemed to convey a freehold interest.

(e) A municipality shall not sell nor convey any rights of ownership the municipality has in any hospital facility, including the buildings, land and equipment associated with the hospital, to any corporation or other business entity operated for profit, except that nothing herein shall prohibit the sale of surplus buildings, surplus land or surplus equipment by a municipality to any corporation or other business entity operated for profit.

A municipality may lease any hospital facility, or part, to any corporation, foreign or domestic, authorized to do business in North Carolina on terms and conditions consistent with the purposes of this Part and with G.S. 160A-272. The municipality shall determine the length of the lease; however, no lease under this subsection shall be longer than 10 years, including options to renew or extend the original term of the lease, except that leases of surplus buildings, surplus land or surplus equipment may be for any length of time determined by the municipality. The lease shall provide that the hospital facility will be operated as a community general hospital open to the general public and that the lessee will accept Medicare and Medicaid patients. No lease executed under this subsection shall be deemed to convey a freehold interest. No bonds, notes nor other evidences of indebtedness shall be issued by a municipality to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility when the facility is leased to a corporation, foreign or domestic, authorized to do business in North Carolina.

For purposes of this subsection, "surplus" means any building, land or equipment which is not required for use in the delivery of necessary health care services by a hospital facility at the time of the sale, conveyance of ownership rights, or lease.

This subsection shall not be construed to affect any pending litigation nor to reflect any legislative intent as to any prior authorized or executed agreements. This subsection shall be effective from January 1, 1984 until June 30, 1984.

(f) In addition to the general and special powers conferred by this Part, a municipality is authorized to exercise powers necessary to implement the powers under this Part. (1983, c. 775, s. 1; 1993, c. 529, s. 5.3; 1995, c. 509, s. 71.)

§ 131E-7.1. Public hospitals' managed care development authorized.

A public hospital as defined in G.S. 159-39(a) may acquire an ownership interest, in whole or in part, in a nonprofit or for-profit managed care company, including a health maintenance organization, physician hospital organization, physician organization, management services organization, or preferred provider organization with which the public hospital is also directly or indirectly a contracting provider. Ownership interest may be evidenced by the ownership or acquired by the purchase of stock. This ownership or acquisition of stock is the exercise of a health care function and is not the investment of idle funds within the meaning of G.S. 159-30 and G.S.159-39(g). (1995 (Reg. Sess., 1996), c. 713, s. 1.)

§ 131E-8. Sale of hospital facilities to nonprofit corporations.

(a) A municipality as defined in G.S. 131E-6(5) or hospital authority as defined in G.S. 131E-16(14), upon such terms and conditions as it deems wise, with or without monetary consideration, may sell or convey to a nonprofit corporation organized under Chapter 55A of the General Statutes any rights of ownership the municipality or hospital authority has in a hospital facility including the building, land and equipment associated with the hospital, if the nonprofit corporation is legally committed to continue to operate the facility as a community general hospital open to the general public, free of discrimination based upon race, creed, color, sex or national origin. The nonprofit corporation shall also agree, as a condition of the municipality or hospital authority's conveying ownership, to provide such services to indigent patients as the municipality or hospital authority and the nonprofit corporation shall agree. The nonprofit corporation shall further agree that should it fail to operate the facility as a community general hospital open to the general public or should the nonprofit corporation dissolve without a successor nonprofit corporation to carry out the terms and conditions of the agreement of conveyance, all ownership rights in the hospital facility, including the building, land and equipment associated with the hospital, shall revert to the municipality or hospital authority or successor entity originally conveying the hospital.

(b) When either general obligation bonds or revenue bonds issued for the benefit of the hospital to be conveyed are outstanding at the time of sale or conveyance, then the nonprofit corporation must agree to the following:

By the effective date of sale or conveyance, the nonprofit corporation shall place into an escrow fund money or direct obligations of, or obligations the principal of and interest on which, are unconditionally guaranteed by the United States of America (as approved by the Local Government Commission), the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all bonds then

outstanding to the maturity date or dates of such bonds or to the date or dates specified for the redemption thereof. The nonprofit corporation shall furnish to the Local Government Commission such evidence as the Commission may require that the securities purchased will satisfy the requirements of this section. A hospital which has placed funds in escrow to retire outstanding general obligation or revenue bonds, as provided in this section, shall not be considered a public hospital, and G.S. 159-39(a)(3) shall be inapplicable to such hospitals.

(c) Any sale or conveyance under this section must be approved by the municipality or hospital authority by a resolution adopted at a regular meeting of the governing body on 10 days' public notice. Notice shall be given by publication describing the hospital facility to be conveyed, the proposed monetary consideration or lack thereof, and the governing body's intent to authorize the sale or conveyance.

(d) Neither G.S. 153A-176 nor Article 12 of Chapter 160A of the General Statutes shall apply to sales or conveyances pursuant to this section.

(e) A sale or conveyance of substantially all the equipment is a sale or conveyance of hospital facility. (1983, c. 775, s. 1; 1989, c. 444.)

§ 131E-8.1. Maintenance of Health Education Facilities.

(a) This section shall apply to all sales and leases of a hospital facility by a municipality or hospital authority where any portion of the facility was constructed with a capital grant from the Area Health Education Centers Program (AHEC).

(b) The municipality or hospital authority shall give specific notice of intent to sell or lease and of any public hearing to the Director of the local AHEC program and the Director of the AHEC Program at the University of North Carolina School of Medicine at Chapel Hill.

(c) The municipality or hospital authority may provide continued access to the identical or equivalent facilities suitable for continuation of AHEC activities, including all services being provided under the existing operating contract. The municipality or hospital authority may convey all ownership rights in the hospital facility, or any part thereof, to the local AHEC Program without monetary consideration. Further, the municipality or hospital authority may reimburse the local AHEC Program for any funds used for the original construction of any office for AHEC provided by AHEC to establish or continue the hospital facility.

(d) No portion of this section shall be construed to alter rights or obligations of the operating contracts between the hospital facility and AHEC. (1983 (Reg. Sess., 1984), c. 1056, s. 1; 1985 (Reg. Sess., 1986), c. 995.)

§ 131E-9. Governing authority of hospital facilities.

(a) The governing body of a municipality may establish by resolution an office, board, or other municipal agency to plan, establish, construct, maintain, or operate a hospital facility. The resolution shall prescribe the powers, duties, compensation, and tenure of the members of the governing authority. The municipality shall remain responsible for the expenses of planning, establishment, construction, maintenance and operation of the hospital facilities.

(b) (1) The county board of commissioners of a county may establish by resolution a county hospital authority to plan, establish, construct, maintain, or operate a hospital facility. The authority shall be referred to as "_____ County Hospital Authority."

(2) The county hospital authority shall consist of six appointed members and one ex officio member.

- (3) The appointed members of the authority shall be appointed by the county board of commissioners. All appointed members shall be residents of the county. Three of the members shall be residents of a city in the county and the remaining three members shall not be residents of the same city or cities in which the other three members appointed under this subdivision reside.
- (4) For the initial appointments to the county hospital authority, two of the members shall be appointed for a term of three years, two for a term of four years, and two for a term of five years to achieve staggered terms. All subsequent appointments shall be for five-year terms.
- (5) The ex officio member of the county hospital authority shall be a member of the county board of commissioners. The ex officio member's term on the hospital authority shall be commensurate with his or her term as a member of the county board of commissioners.
- (6) When any member of the county hospital authority resigns or is removed from office before the expiration of the member's term, the county board of commissioners shall appoint a person to serve the unexpired portion of the term.

(c) Any authority vested in a county under this Part or any authority or power that may be exercised by a hospital authority under the Hospital Authorities Act, Chapter 131E, Article 2, Part B, may be vested by resolution of the county board of commissioners in a county hospital authority established under this section. However, a county hospital authority shall exercise only the powers and duties prescribed in the county board of commissioners' resolution. The county board of commissioners shall determine in the resolution the compensation, traveling and any other expenses which shall be paid to each member of the county hospital authority. However, the expenses to plan, establish, construct and operate the hospital facility shall remain the responsibility of the county. (1983, c. 775, s. 1.)

§ 131E-10. Condemnation.

Every municipality is authorized to condemn property to carry out the purposes of this Part. In condemning property, a municipality shall proceed in the manner provided in Chapter 40A of the General Statutes or in the charter of the municipality. A municipality or its agents is authorized to enter upon land, provided no unnecessary damage is done, to make surveys and examinations relative to any condemnation proceeding. Notwithstanding the provisions of any other statute or of any applicable municipal charter, the municipality may take possession of property to be condemned at any time after the commencement of the condemnation proceeding. The municipality shall not be precluded from abandonment of the condemnation of property in any case where possession has not taken place. (1983, c. 775, s. 1.)

§ 131E-11. Federal and State aid.

Every municipality or nonprofit association is authorized to accept and disburse federal and State moneys, whether made available by grant, loan, gift or devise, to carry out the purposes of this Part. All federal moneys shall be accepted and disbursed upon the terms and conditions prescribed by the United States, if the terms and conditions are consistent with State law. All State moneys shall be accepted and disbursed upon the terms and conditions prescribed by either or both the State and the North Carolina Medical Care Commission. Unless the terms and conditions provide otherwise, the chief financial officer of the municipality shall deposit all moneys received under this section and keep them in separate trust funds. (1983, c. 775, s. 1.)

§ 131E-12. Public purposes.

The exercise of the powers, privileges, and authorities conferred on municipalities by this Part are public and government functions, exercised for a public purpose and matters of public necessity. In the case of a county, the exercise of the powers, privileges and authorities conferred by this Part is a county function and purpose, as well as a public and governmental function. In the case of any municipality other than a county, the exercise of the powers, privileges, and authorities conferred by this Part is a municipal function and purpose, as well as a public and governmental function. (1983, c. 775, s. 1.)

§ 131E-13. Lease or sale of hospital facilities to or from for-profit or nonprofit corporations or other business entities by municipalities and hospital authorities.

(a) A municipality or hospital authority as defined in G.S. 131E-16(14), may lease, sell, or convey any hospital facility, or part, to a corporation, foreign or domestic, authorized to do business in North Carolina, subject to these conditions, which shall be included in the lease, agreement of sale, or agreement of conveyance:

- (1) The corporation shall continue to provide the same or similar clinical hospital services to its patients in medical-surgery, obstetrics, pediatrics, outpatient and emergency treatment, including emergency services for the indigent, that the hospital facility provided prior to the lease, sale, or conveyance. These services may be terminated only as prescribed by Certificate of Need Law prescribed in Article 9 of Chapter 131E of the General Statutes, or, if Certificate of Need Law is inapplicable, by review procedure designed to guarantee public participation pursuant to rules adopted by the Secretary of the Department of Health and Human Services.
- (2) The corporation shall ensure that indigent care is available to the population of the municipality or area served by the hospital authority at levels related to need, as previously demonstrated and determined mutually by the municipality or hospital authority and the corporation.
- (3) The corporation shall not enact financial admission policies that have the effect of denying essential medical services or treatment solely because of a patient's immediate inability to pay for the services or treatment.
- (4) The corporation shall ensure that admission to and services of the facility are available to beneficiaries of governmental reimbursement programs (Medicaid/Medicare) without discrimination or preference because they are beneficiaries of those programs.
- (5) The corporation shall prepare an annual report that shows compliance with the requirements of the lease, sale, or conveyance.

The corporation shall further agree that if it fails to substantially comply with these conditions, or if it fails to operate the facility as a community general hospital open to the general public and free of discrimination based on race, creed, color, sex, or national origin unless relieved of this responsibility by operation of law, or if the corporation dissolves without a successor corporation to carry out the terms and conditions of the lease, agreement of sale, or agreement of conveyance, all ownership or other rights in the hospital

facility, including the building, land and equipment associated with the hospital, shall revert to the municipality or hospital authority or successor entity originally conveying the hospital; provided that any building, land, or equipment associated with the hospital facility that the corporation has constructed or acquired since the sale may revert only upon payment to the corporation of a sum equal to the cost less depreciation of the building, land, or equipment.

This section shall not apply to leases, sales, or conveyances of nonmedical services or commercial activities, including the gift shop, cafeteria, the flower shop, or to surplus hospital property that is not required in the delivery of necessary hospital services at the time of the lease, sale, or conveyance.

(b) In the case of a sale or conveyance, if either general obligation bonds or revenue bonds issued for the benefit of the hospital to be conveyed are outstanding at the time of sale or conveyance, then the corporation shall agree to the following:

By the effective date of sale or conveyance, the corporation shall place into an escrow fund money or direct obligations of, or obligations the principal of and interest on which, are unconditionally guaranteed by the United States of America (as approved by the Local Government Commission), the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all bonds then outstanding to the maturity date or dates of such bonds or to the date or dates specified for the redemption thereof. The corporation shall furnish to the Local Government Commission such evidence as the Commission may require that the securities purchased will satisfy the requirements of this section. A hospital which has placed funds in escrow to retire outstanding general obligation or revenue bonds, as provided in this section, shall not be considered a public hospital, and G.S. 159-39(a)(3) shall be inapplicable to such hospitals.

No bonds, notes or other evidences of indebtedness shall be issued by a municipality or hospital authority to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility if the facility has been sold or conveyed to a corporation, foreign or domestic, authorized to do business in North Carolina.

(c) In the case of a lease, the municipality or hospital authority shall determine the length of the lease. No lease executed under this section shall be deemed to convey a freehold interest. Any sublease or assignment of the lease shall be subject to the conditions prescribed by this section. If the term of the lease is more than 10 years, and either general obligation bonds or revenue bonds issued for the benefit of the hospital to be leased are outstanding at the time of the lease, then the corporation shall agree to the following:

By the effective date of the lease, the corporation shall place into an escrow fund money or direct obligations of, or obligations the principal of and interest on which, are unconditionally guaranteed by the United States of America (as approved by the Local Government Commission), the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all bonds then outstanding to the maturity date or dates of such bonds or to the date or dates specified for the redemption thereof. The corporation shall furnish

to the Local Government Commission such evidence as the Commission may require that the securities purchased will satisfy the requirements of this section.

No bonds, notes or other evidences of indebtedness shall be issued by a municipality or hospital authority to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility when the facility is leased to a corporation, foreign or domestic, authorized to do business in North Carolina.

(d) The municipality or hospital authority shall comply with the following procedures before leasing, selling, or conveying a hospital facility, or part thereof:

- (1) The municipality or hospital authority shall first adopt a resolution declaring its intent to sell, lease, or convey the hospital facility at a regular meeting on 10 days' public notice. Notice shall be given by publication in one or more papers of general circulation in the affected area describing the intent to lease, sell, or convey the hospital facility involved, known potential buyers or lessees, a solicitation of additional interested buyers or lessees and intent to negotiate the terms of the lease or sale. Specific notice, given by certified mail, shall be given to the local office of each state-supported program that has made a capital expenditure in the hospital facility, to the Department of Health and Human Services, and to the Office of State Budget and Management.
- (2) At the meeting to adopt a resolution of intent, the municipality or hospital authority shall request proposals for lease or purchase by direct solicitation of at least five prospective lessees or buyers. The solicitation shall include a copy of G.S. 131E-13.
- (3) The municipality or hospital authority shall conduct a public hearing on the resolution of intent not less than 15 days after its adoption. Notice of the public hearing shall be given by publication at least 15 days before the hearing. All interested persons shall be heard at the public hearing.
- (4) Before considering any proposal to lease or purchase, the municipality or hospital authority shall require information on charges, services, and indigent care at similar facilities owned or operated by the proposed lessee or buyer.
- (5) Not less than 45 days after adopting a resolution of intent and not less than 30 days after conducting a public hearing on the resolution of intent, the municipality or hospital authority shall conduct a public hearing on proposals for lease or purchase that have been made. Notice of the public hearings shall be given by publication at least 10 days before the hearing. The notice shall state that copies of proposals for lease or purchase are available to the public.
- (6) The municipality or hospital authority shall make copies of the proposals to lease or purchase available to the public at least 10 days before the public hearing on the proposals.
- (7) Not less than 60 days after adopting a resolution of intent, the municipality or hospital authority at a regular meeting shall approve any lease, sale, or conveyance by a resolution. The municipality or hospital authority shall adopt this resolution only upon a finding that the lease, sale, or conveyance is in the public interest after considering whether the proposed lease, sale, or conveyance will meet the health-related needs of medically underserved groups, such as low income persons, racial and ethnic minorities, and

handicapped persons. Notice of the regular meeting shall be given at least 10 days before the meeting and shall state that copies of the lease, sale, or conveyance proposed for approval are available.

- (8) At least 10 days before the regular meeting at which any lease, sale, or conveyance is approved, the municipality or hospital authority shall make copies of the proposed contract available to the public.

(e) Notwithstanding the provisions of subsections (c) and (d) of this section or G.S. 131E-23, a hospital authority as defined in G.S. 131E-16(14) or a municipality may lease or sublease hospital land to a corporation or other business entity, whether for profit or not for profit, and may participate as an owner, joint venturer, or other equity participant with a corporation or other business entity for the development, construction, and operation of medical office buildings and other health care or hospital facilities, so long as the municipality, hospital authority, or other entity continues to maintain its primary community general hospital facilities as required by subsection (a) of this section.

(f) A municipality or hospital authority may permit or consent to the pledge of hospital land or leasehold estates in hospital land to facilitate the development, construction, and operation of medical office buildings and other health care or hospital facilities. A municipality or hospital authority also may, as lessee, enter into master leases or agreements to fund for temporary vacancies relating to hospital land or hospital facilities for use in the provision of health care.

(g) Neither G.S. 153A-176 nor Article 12 of Chapter 160A of the General Statutes shall apply to leases, subleases, sales, or conveyances under this Chapter.

(h) A municipality or hospital authority that has complied with the requirements of subdivisions (1) through (6) of subsection (d) of this section but has not, following good-faith negotiations, approved any lease, sale, or conveyance as required by subdivisions (7) and (8) of subsection (d) of this section may, not less than 120 days following the public hearing required by subdivision (5) of subsection (d) of this section, solicit additional prospective lessees or buyers not previously solicited as required by subdivision (2) of subsection (d) of this section and may approve any lease, sale, or conveyance without the necessity to repeat compliance with the requirements of subdivisions (1) through (6) of subsection (d) of this section, except for the following:

- (1) Before considering any proposal to lease or purchase the hospital facility or part thereof, the municipality or hospital authority shall require information on charges, services, and indigent care at similar facilities leased, owned, or operated by the proposed lessee or buyer.
- (2) The municipality or hospital authority shall declare its intent to approve any lease or sale in the manner authorized by this subsection at a regular or special meeting held on 10 days' public notice. Such notice shall state that copies of the lease, sale, or conveyance proposed for approval will be available 10 days prior to the regular or special meeting required by subdivision (3) of this subsection and that the lease, sale, or conveyance shall be considered for approval at a regular or special meeting not less than 10 days following the regular or special meeting required by this subsection. Notice shall be given by publication in one or more papers of general circulation in the affected area describing the intent

to lease, sell, or convey the hospital facility involved and the potential buyer or lessee.

- (3) Not less than 10 days following the regular or special meeting required by subdivision (2) of this subsection, the municipality or hospital authority shall approve any lease, sale, or conveyance by a resolution at a regular or special meeting.
- (4) At least 10 days before the regular or special meeting at which any lease, sale, or conveyance is approved, the municipality or hospital authority shall make copies of the proposed contract available to the public. (1983 (Reg. Sess., 1984), c. 1066, s. 1; 1997-233, s. 2; 1997-443, s. 11A.118(a); 2000-140, s. 93.1(a); 2001-424, s. 12.2(b); 2015-288, s. 3.)

§ 131E-14. Lease or sale of hospital facilities to certain nonprofit corporations.

If a municipality or hospital authority leases, sells, or conveys a hospital facility, or part, to a nonprofit corporation of which a majority of voting members of its governing body is not appointed or controlled by the municipality or hospital authority, the procedural requirements set forth in G.S. 131E-13(d) shall apply. (1983 (Reg. Sess., 1984), c. 1066, s. 2.)

§ 131E-14.1. Branch facilities.

Notwithstanding anything in this Article, any municipality owning and operating a hospital organized under the provisions of this Part or Part 3 or any nonprofit corporation which leases or operates a hospital facility pursuant to an agreement with the municipality may erect, remodel, enlarge, purchase, finance, and operate branches and related facilities within this State but outside the boundaries of the county subject to the following limitations:

- (1) No moneys derived from the exercise by the owning municipality of its power of taxation shall be expended on facilities located outside its boundaries;
- (2) No moneys derived from the issuance by the owning municipality of its bonds or notes shall be expended on facilities located outside its boundaries;
- (3) The owning municipality shall not possess the power of eminent domain or have the right of condemnation with respect to hospital facilities located outside its boundaries; and
- (4) The power conferred on counties by G.S. 153A-169 and G.S. 153A-170 to adopt ordinances regulating the use of county-owned property and parking on county-owned property shall not extend to hospital facilities located outside its boundaries unless the board of commissioners of the county in which the facility is located shall by resolution permit any such ordinance to be applicable within its jurisdiction.
- (5), (6) Repealed by Session Laws 1993 (Reg. Sess., 1994), c. 676, s. 1. (1983, c. 578, s. 1; 1993 (Reg. Sess., 1994), c. 676, s. 1.)

§ 131E-14.2. Conflict of interest.

(a) No member of the board of directors or employee of a public hospital, as defined in G.S. 159-39(a), or that person's spouse shall do either of the following:

- (1) Acquire any interest, direct or indirect, in any hospital facility or in any property included or planned to be included in a hospital facility.

- (2) Have any direct interest in any contract or proposed contract for materials or services to be furnished or used in connection with any hospital facility, except an employment contract for an employee. This restriction shall not apply to any contract, undertaking, or other transaction with a bank or banking institution, savings and loan association or public utility in the regular course of its business provided that the contract, undertaking, or other transaction shall be authorized by the board by specific resolution on which no director having direct interest shall vote.

(b) The fact that a person or that person's spouse owns ten percent (10%) or less stock of a corporation or has a ten percent (10%) or less ownership in any other business entity or is an employee of that corporation or other business entity does not make the person have a "direct interest" as this phrase is used in subsection (a) of this section; provided that, in order for the exception to apply, the contract, undertaking, or other transaction shall be authorized by the board of directors by specific resolution on which no director or employee having an interest, direct or indirect, shall vote.

(c) If a member of the board of directors or an employee of a public hospital or that person's spouse owns or controls an interest, direct or indirect, in any property included or planned to be included in any hospital facility, the member of the board of directors or the employee shall immediately disclose the same in writing to the board and the disclosure shall be entered upon the minutes of the board. Failure to disclose shall constitute misconduct in office and shall be grounds for removal.

(c1) Subsection (a) of this section shall not apply if the director or employee is not involved in making or administering the contract. A director or employee is involved in administering a contract if the director or employee oversees the performance of or interprets the contract. A director or employee is involved in making a contract if the director or employee participates in the development of specifications or terms or in the preparation or award of the contract. A director or employee is not involved in making or administering a contract solely because of the performance of ministerial duties related to the contract. A director is also involved in making a contract if the board of directors takes action on the contract, whether or not the director actually participates in that action, unless the contract is approved under an exception to this section under which the director is allowed to benefit and is prohibited from voting.

(d) Subsection (a) of this section shall not apply to any member of the board of directors of a public hospital if (i) the undertaking or contract or series of undertakings or contracts between the public hospital and one of its officials is approved by specific resolution of the board adopted in an open and public meeting and recorded in its minutes; (ii) the official entering into the contract or undertaking with the public hospital does not in an official capacity participate in any way or vote; and (iii) the amount does not exceed twelve thousand five hundred dollars (\$12,500) for medically related services and twenty-five thousand dollars (\$25,000) for other goods or services within a 12-month period, or the contract is for medically related or administrative services that are provided by a director who serves on the board as an ex officio representative of the hospital medical staff pursuant to a hospital bylaw adopted prior to January 1, 2005, or that are provided by the spouse of that director.

(e) Subsection (a) of this section shall not apply to any employment relationship between a public hospital and the spouse of a member of the board of directors of the public hospital.

(f) A contract entered into in violation of this section is void. A contract that is void under this section may continue in effect until an alternative can be arranged when: (i) immediate

termination would result in harm to the public health or welfare, and (ii) the continuation is approved as provided in this subsection. A public hospital that is a party to the contract may request approval to continue contracts under this subsection from the chairman of the Local Government Commission. Approval of continuation of contracts under this subsection shall be given for the minimum period necessary to protect the public health or welfare. (2001-409, s. 6; 2005-70, s. 1; 2006-264, s. 64(b).)

Part 2. Hospital Authority.

§ 131E-15. Title and purpose.

(a) This Part shall be known as the "Hospital Authorities Act."

(b) The General Assembly finds and declares that in order to protect the public health, safety, and welfare, including that of low income persons, it is necessary that counties and cities be authorized to provide adequate hospital, medical, and health care and that the provision of such care is a public purpose. Therefore, the purpose of this Part is to provide an alternate method for counties and cities to provide hospital, medical, and health care. (1943, c. 780, ss. 1, 2; 1971, c. 799; 1983, c. 775, s. 1.)

§ 131E-16. Definitions.

As used in this Part, unless otherwise specified:

- (1) "Board of county commissioners" means the legislative body charged with governing the county.
- (2) "Bonds" means any bonds or notes issued by the hospital authority pursuant to this Part and the Local Government Finance Act, Chapter 159 of the General Statutes.
- (3) "City" means any city or town which is, or is about to be, included in the territorial boundaries of a hospital authority when created hereunder.
- (4) "City clerk" and "mayor" means the clerk and mayor, respectively, of the city, or the officers thereof charged with the duties customarily imposed on the clerk and mayor, respectively.
- (5) "City council" means the legislative body, council, board of commissioners, board of trustees, or other body charged with governing the city or town.
- (6) "Commissioner" means one of the members of a hospital authority appointed in accordance with the provisions of this Part.
- (7) "Community general hospital" means a short-term nonfederal hospital that provides diagnostic and therapeutic services to patients for a variety of medical conditions, both surgical and nonsurgical, such services being available for use primarily by residents of the community in which it is located.
- (8) "Contract" means any agreement of a hospital authority with or for the benefit of an obligee whether contained in a resolution, trust indenture, mortgage, lease, bond or other instrument.
- (9) "Corporation, foreign or domestic, authorized to do business in North Carolina" means a corporation for profit or having a capital stock which is created and organized under Chapter 55 of the General Statutes or any other general or special act of this State, or a foreign corporation which has procured a certificate of authority to transact business in this State pursuant to Article 10 of Chapter 55 of the General Statutes.

- (10) "County" means the county which is, or is about to be, included in the territorial boundaries of a hospital authority when created hereunder.
- (11) "County clerk" and "chairman of the board of county commissioners" means the clerk and chairman, respectively, of the county or the officers thereof charged with the duties customarily imposed on the clerk and chairman, respectively.
- (12) "Federal government" means the United States of America, or any agency, instrumentality, corporate or otherwise, of the United States of America.
- (13) "Government" means the State and federal governments and any subdivision, agency or instrumentality, corporate or otherwise, of either of them.
- (14) "Hospital authority" means a public body and a body corporate and politic organized under the provisions of this Part.
- (15) "Hospital facilities" means any one or more buildings, structures, additions, extensions, improvements or other facilities, whether or not located on the same site or sites, machinery, equipment, furnishings or other real or personal property suitable for health care or medical care; and includes, without limitation, general hospitals; chronic disease, maternity, mental, tuberculosis and other specialized hospitals; nursing homes, including skilled nursing facilities and intermediate care facilities; adult care homes for the aged and disabled; public health center facilities; housing or quarters for local public health departments; facilities for intensive care and self-care; clinics and outpatient facilities; clinical, pathological and other laboratories; health care research facilities; laundries; residences and training facilities for nurses, interns, physicians and other staff members; food preparation and food service facilities; administrative buildings, central service and other administrative facilities; communication, computer and other electronic facilities; fire-fighting facilities; pharmaceutical and recreational facilities; storage space; X ray, laser, radiotherapy and other apparatus and equipment; dispensaries; utilities; vehicular parking lots and garages; office facilities for hospital staff members and physicians; and such other health and hospital facilities customarily under the jurisdiction of or provided by hospitals, or any combination of the foregoing, with all necessary, convenient or related interests in land, machinery, apparatus, appliances, equipment, furnishings, appurtenances, site preparation, landscaping and physical amenities.
- (15a) "Hospital land" means air and ground rights to real property held either in fee or by lease by a hospital authority, with all easements, rights-of-way, appurtenances, landscaping, and physical amenities such as utilities, parking lots, and garages, but excluding other improvements to land described in G.S. 131E-6(4) and subsection (15) of this section.
- (16) "Municipality" means any county, city, town or incorporated village, other than a city as defined above, which is located within or partially within the territorial boundaries of an authority.
- (17) "Real property" means lands, lands under water, structures, and any and all easements, franchises and incorporeal hereditaments and every estate and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise.

- (18) "State" means the State of North Carolina. (1943, c. 780, s. 3; 1971, c. 780, s. 22; c. 799; 1983, c. 775, s. 1; 1995, c. 535, s. 19; 1997-233, s. 3.)

§ 131E-17. Creation of a hospital authority.

(a) A hospital authority may be created whenever a city council or a county board of commissioners finds and adopts a resolution finding that it is in the interest of the public health and welfare to create a hospital authority.

(b) After the adoption of a resolution creating a hospital authority, the mayor or the chairman of the county board of commissioners shall appoint commissioners in accordance with G.S. 131E-18.

(c) The commissioners shall be a public body and a body corporate and politic upon the completion of the procedures described in G.S. 131E-19. (1943, c. 780, s. 4; 1971, c. 799; 1983, c. 775, s. 1.)

§ 131E-18. Commissioners.

(a) The mayor or the chairman of the county board shall appoint the commissioners of the authority. There shall be not less than six and not more than 30 commissioners. Upon a finding that it is in the public interest, the commissioners may adopt a resolution increasing or decreasing the number of commissioners by a fixed number; Provided that no decrease in the number of commissioners shall shorten a commissioner's term. A certified copy of the resolution and a list of nominees shall be submitted to the mayor or the chairman of the county board of commissioners for appointments in accordance with the procedures set forth in subsection (d) of this section.

(b) For the initial appointments of commissioners, one-third of the commissioners shall be appointed for a term of one year, one-third for a term of two years, and one-third for a term of three years to achieve staggered terms. All subsequent appointments shall be for three-year terms. A commissioner shall hold office until a successor has been appointed and qualified. Vacancies from resignation or removal from office shall be filled for the unexpired portion of the term.

(c) The mayor or the chairman of the county board of commissioners shall name the first chair of the authority. Thereafter, the commissioners shall elect each subsequent chair from their members. The commissioners shall elect from their members the first vice-chair and all subsequent vice-chairs.

(d) When a commissioner resigns, is removed from office, completes a term of office, or when there is an increase in the number of commissioners, the remaining commissioners shall submit to the mayor or the chairman of the county board of commissioners a list of nominees for appointment to the commission. The mayor or the chairman of the county board of commissioners shall appoint, only from the nominees, the number of commissioners necessary to fill all vacancies. However, the mayor or the chairman of the county board of commissioners may require the commissioners to submit as many additional lists of nominees as he or she may desire.

(e) The mayor shall file with the city clerk, or the chairman of the county board of commissioners shall file with the county clerk, a certificate of appointment or reappointment of a commissioner. The certificate shall be conclusive evidence of the due and proper appointment of the commissioner.

(f) Commissioners shall receive no compensation for their services, but they shall be entitled to reimbursement for necessary expenses, including travel expenses, incurred in the discharge of their duties.

(g) For a county with a population of less than 75,000, according to the most recent decennial federal census, the following exceptions to the provisions of this section shall apply:

- (1) The commissioners shall be appointed by the county board of commissioners rather than the chairman of the county board of commissioners;
- (2) In making appointments under subsection (d) of this section, the county board of commissioners shall consider the nominations of the commissioners of the authority, but the county board of the commissioners is not bound by the nominations and may choose any qualified person.

The foregoing exceptions shall not apply when a county with a population of less than 75,000 jointly establishes a hospital authority with a city.

(h) A majority of the commissioners shall constitute a quorum. (1943, c. 780, s. 5; 1971, c. 799; 1973, c. 792; 1981, c. 525, s. 1; 1983, c. 775, s. 1.)

§ 131E-19. Incorporation of a hospital authority.

(a) After the commissioners are appointed, they shall present to the Secretary of State an application for incorporation as a hospital authority. The application shall be signed by each of the commissioners and shall set forth:

- (1) That the city council or the county board of commissioners has found that it is in the interest of the public health and welfare to create a hospital authority;
- (2) That the mayor or the chairman of the county board of commissioners has appointed them as commissioners;
- (3) The name and official residence of each of the commissioners;
- (4) A certified copy of the appointment evidencing the commissioners' right to office, and the date and place of induction into and taking of office;
- (5) That they desire the hospital authority to become a public body and a body corporate and politic under this Part;
- (6) The term of office of each of the commissioners;
- (7) The name which is proposed for the corporation; and
- (8) The location and principal office of the corporation.

The application shall be subscribed and sworn to by each of the commissioners before an officer authorized by the laws of this State to take and certify oaths. This officer shall certify upon the application that he or she personally knows the commissioners and knows them to be the officers as asserted in the application, and that each subscribed to the application and took the oath in the officer's presence.

(b) The Secretary of State shall examine the application. If he or she finds that the name proposed for the corporation is not identical with that of a person or of any other corporation in this State or so nearly similar so as to lead to confusion and uncertainty, the application shall be filed and recorded in the appropriate book of record in the Secretary of State's office. The Secretary of State shall then make and issue to the commissioners a certificate of incorporation pursuant to this Part, under the Seal of the State, and shall record the certificate with the application.

(c) A hospital authority's name or the location or principal office of the corporation may be changed by the adoption of a resolution by the majority of the authority's commissioners. A copy of the resolution, duly verified by the chair and secretary of the commission before an officer authorized by the laws of this State to take and certify oaths, shall be delivered to the Secretary of State, along with a conformed copy. If the Secretary of State finds that the proposed name is not identical with that of a person or any corporation of this State, or so nearly similar as to lead to

confusion and uncertainty, the resolution shall be filed and recorded in the appropriate book of record in the Secretary of State's office. A resolution changing the location or principal office of the hospital authority shall be filed and recorded in the appropriate book of record in the Secretary of State's office. The Secretary of State shall then return to the authority the conformed copy, together with a certificate stating that the attached copy is a true copy of the document in the Secretary of State's office, that shows the date of filing.

(d) In any legal proceeding, a copy of the certificate of incorporation, certified by the Secretary of State, shall be admissible in evidence and shall be conclusive proof of its filing and contents and the incorporation of the hospital authority in accordance with this Part. (1943, c. 780, s. 4; 1966, c. 988, s. 1; 1971, c. 799; 1983, c. 775, s. 1.)

§ 131E-20. Boundaries of the authority.

(a) The territorial boundaries of a hospital authority shall include the city or county creating the authority and the area within 10 miles from the territorial boundaries of that city or county. However, a hospital authority may engage in health care activities in a county outside its territorial boundaries pursuant to:

- (1) An agreement with a hospital facility if only one hospital currently exists in that county;
- (2) An agreement with any hospital if more than one hospital currently exists in that county; or
- (3) An agreement with any health care agency if no hospital currently exists in that county.

In no event shall the territorial boundaries of a hospital authority include, in whole or in part, the area of any previously existing hospital authority. All priorities shall be determined on the basis of the time of issuance of the certificates of incorporation by the Secretary of State.

(b) After the creation of an authority, the subsequent existence within its territorial boundaries of more than one city or county shall in no way affect the territorial boundaries of the authority. (1943, c. 780, s. 4; 1971, c. 799; 1983, c. 775, s. 1; 1993, c. 529, s. 6.1.)

§ 131E-21. Conflict of interest.

(a) No commissioner or employee of the hospital authority or that person's spouse shall do either of the following:

- (1) Acquire any interest, direct or indirect, in any hospital facility or in any property included or planned to be included in a hospital facility.
- (2) Have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any hospital facility, except an employment contract for an employee. The foregoing restriction shall not apply to any contract, undertaking, or other transaction with a bank or banking institution, savings and loan association or public utility in the regular course of its business; Provided that any such contract, undertaking, or other transaction shall be authorized by the commissioners by specific resolution on which no commissioner having an interest, direct or indirect, shall vote.

(b) The fact that a person or that person's spouse owns ten percent (10%) or less stock of a corporation or has a ten percent (10%) or less ownership in any other business entity or is an employee of that corporation or other business entity does not make the person have an "interest,

direct or indirect" as this phrase is used in subsection (a) of this section; provided that, in order for the exception to apply, the contract, undertaking or other transaction shall be authorized by the commissioners by specific resolution on which no commissioner or employee having an interest, direct or indirect, shall vote.

(c) If a commissioner or employee of an authority or that person's spouse owns or controls an interest, direct or indirect, in any property included or planned to be included in any hospital facility, the commissioner or employee shall immediately disclose the same in writing to the authority and the disclosure shall be entered upon the minutes of the authority. Failure to disclose shall constitute misconduct in office and shall be grounds for a commissioner's removal from office under G.S. 131E-22.

(d) Subsection (a) of this section shall not apply to any commissioner of a hospital authority if (i) the undertaking or contract or series of undertakings or contracts between the hospital authority and one of its officials is approved by specific resolution of the governing body adopted in an open and public meeting and recorded in its minutes and the amount does not exceed twelve thousand five hundred dollars (\$12,500) for medically related services and twenty-five thousand dollars (\$25,000) for other goods or services within a 12-month period; and (ii) the official entering into the contract or undertaking with the hospital authority does not in an official capacity participate in any way or vote.

(e) Subsection (a) of this section shall not apply to any employment relationship between a hospital authority and the spouse of a commissioner of the hospital authority.

(f) A contract entered into in violation of this section is void. A contract that is void under this section may continue in effect until an alternative can be arranged when: (i) immediate termination would result in harm to the public health or welfare, and (ii) the continuation is approved as provided in this subsection. A hospital authority that is a party to the contract may request approval to continue contracts under this subsection from the chairman of the Local Government Commission. Approval of continuation of contracts under this subsection shall be given for the minimum period necessary to protect the public health or welfare. (1943, c. 780, s. 7; 1971, c. 749; 1983, c. 775, s. 1; 1983 (Reg. Sess., 1984), c. 1058, s. 1; 2001-409, s. 7.)

§ 131E-22. Removal of commissioners.

(a) The appointing authority, as stated in G.S. 131E-18, may remove a commissioner for inefficiency, neglect of duty, or misconduct in office. A commissioner may be removed only after he or she has been given a copy of the charges and provided the opportunity to be heard in person or by counsel. A commissioner is entitled to at least 10 days after receipt of the notice to prepare for a hearing before the mayor or the chairman of the county.

(b) An obligee of the authority may file with the mayor or the chairman of the county board of commissioners written charges that the authority is willfully violating the laws of the State or a term, provision, or covenant to any contract to which the authority is a party. The mayor or the chairman of the county board of commissioners shall give each of the commissioners a copy of the charges at least 10 days prior to the hearing on the charges. The commissioners shall be provided an opportunity to be heard in person or by counsel. The mayor or the chairman of the county board of commissioners shall, within 15 days after receipt of the charges, remove any commissioners of the authority who are found to have acquiesced in any willful violation. If a commissioner has not filed a written statement before the hearing with the authority stating his or her objections to or lack of participation in the violation, the commissioner shall be deemed to have acquiesced in a willful violation.

(c) If, after due and diligent search, a commissioner to whom charges are required to be delivered cannot be found within the county where the authority is located, the charges shall be deemed to be served upon the commissioner when it is mailed to the commissioner at the commissioner's last known address as the same appears on the records of the authority.

(d) In the event of the removal of any commissioner, the mayor shall file in the office of the city clerk, or the chairman of the county board of commissioners shall file with the county clerk, a record of the proceedings together with the charges against the commissioner and the findings. (1943, c. 780, s. 8; 1971, c. 799; 1983, c. 775, s. 1.)

§ 131E-23. Powers of the authority.

(a) An authority shall have all powers necessary or convenient to carry out the purposes of this Part, including the following powers, which are in addition to those powers granted elsewhere in this Part:

- (1) To investigate hospital, medical, and health conditions and the means of improving those conditions;
- (2) To determine where inadequate hospital and medical facilities exist;
- (3) To accept donations or money, personal property, or real estate for the benefit of the authority and to take title to the same from any person, firm, corporation or society;
- (4) To acquire by purchase, gift, devise, lease, condemnation, or otherwise any existing hospital facilities;
- (5) To purchase, lease, obtain options upon, or otherwise acquire any real or personal property or any interest therein from any person, firm, corporation, city, county, or government;
- (6) To sell, exchange, transfer, assign, or pledge any real or personal property or any interest therein to any person, firm, corporation, city, county or government;
- (7) To own, hold, clear and improve property;
- (8) To borrow money upon its bonds, notes, debentures, or evidences of indebtedness, as provided for in G.S. 131E-26 and G.S. 131E-27;
- (9) To purchase real or personal property pursuant to G.S. 131E-32;
- (10) To appoint an administrator of a hospital facility and necessary assistants, and any and all other employees necessary or advisable, to fix their compensation, to adopt necessary rules governing their employment, and to remove employees;
- (11) To delegate to its agents or employees any powers or duties as it may deem appropriate;
- (12) To employ its own counsel and legal staff;
- (13) To adopt, amend and repeal bylaws for the conduct of its business;
- (14) To enter into contracts for necessary supplies, equipment, or services for the operation of its business;
- (15) To appoint committees or subcommittees as it shall deem advisable, to fix their duties and responsibilities, and to do all things necessary in connection with the construction, repair, reconstruction, management, supervision, control and operation of the authority's business;

- (16) To establish procedures for health care providers to secure the privilege of practicing within any hospital operated by the authority pursuant to Part 3 of Article 5 of this Chapter;
- (17) To establish reasonable rules governing the conduct of health care providers while on duty in any hospital operated by the facility pursuant to Part 3 of Article 5 of this Chapter;
- (18) To provide for the construction, reconstruction, improvement, alteration or repair of any hospital facility, or any part of a facility;
- (19) To enter into any contracts or other arrangements with any municipality, other public agency of this or any other State or of the United States, or with any individual, private organization, or nonprofit association for the provision of hospital, clinical, or similar services;
- (20) To lease any hospital facilities to or from any municipality, other public agency of this or any other state or of the United States, or to any individual, corporation, or association upon any terms and subject to any conditions as may carry out the purposes of this Part. The authority may provide for the lessee to use, operate, manage and control the hospital facilities, and to exercise designated powers, in the same manner as the authority itself might do;
- (21) To act as an agent for the federal, State or local government in connection with the acquisition, construction, operation or management of a hospital facility, or any part thereof;
- (22) To arrange with the State, its subdivisions and agencies, and any county or city, to the extent it is within the scope of their respective functions,
 - a. To cause the services customarily provided by each to be rendered for the benefit of the hospital authority,
 - b. To furnish, plan, replan, install, open or close streets, roads, alleys, sidewalks or similar facilities and to acquire property, options or property rights for the furnishing of property or services for a hospital facility, and
 - c. To provide and maintain parks and sewage, water and other facilities for hospital facilities and to lease and rent any of the dwellings or other accommodations or any of the lands, buildings, structures or facilities embraced in any hospital facility and to establish and revise the rents and charges;
- (23) To insure the property or the operations of the authority against risks as the authority may deem advisable;
- (24) To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which trustees, guardians, executors, administrators, and others acting in a fiduciary capacity may legally invest funds under their control;
- (25) To sue and be sued;
- (26) To have a seal and to alter it at pleasure;
- (27) To have perpetual succession;
- (28) To make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority;

- (29) To remove vehicles parked on land owned or leased by the hospital authority in areas clearly designated as no parking or restricted parking zones. An owner of a removed vehicle as a condition of regaining possession of the vehicle, shall reimburse the hospital authority for all reasonable costs, not to exceed fifty dollars (\$50.00), incidental to the removal and storage of the vehicle provided that the designation of the area as a no parking or restricted parking zone clearly indicates that the owner may be subject to these costs;
- (30) To plan and operate hospital facilities;
- (31) To provide teaching and instruction programs and schools for medical students, interns, physicians, nurses, technicians and other health care professionals;
- (32) To provide and maintain continuous resident physician and intern medical services;
- (33) To adopt, amend and repeal rules and regulations governing the admission of patients and the care, conduct, and treatment of patients;
- (34) To establish a fee schedule for services received from hospital facilities and make the services available regardless of ability to pay;
- (35) To maintain and operate isolation wards for the care and treatment of mental, contagious, or other similar diseases;
- (36) To sell a hospital facility pursuant to G.S. 131E-8 or G.S. 131E-13; and
- (37) To agree to limitations upon the exercise of any powers conferred upon the hospital authority by this Part in connection with any loan by a government.
- (38) To engage in health care activities outside the State.

(b) A hospital authority may exercise any or all of the powers conferred upon it by this Part, either generally or with respect to any specific hospital facility or facilities, through or by designated agents, including any corporation or corporations which are or shall be formed under the laws of this State.

(c) Expired pursuant to Session Laws 1983, c. 775, s. 1.

(d) No provisions with respect to the acquisition, operation or disposition of property by other public bodies shall be applicable to a hospital authority unless otherwise specified by the General Assembly. (1913, c. 42, s. 15; 1917, c. 268; C.S., s. 7273; 1983, c. 775, s. 1; 1995, c. 509, s. 135.1(1); 1997-456, s. 27; 1999-456, s. 6; 2015-288, s. 5.)

§ 131E-24. Eminent domain.

(a) A hospital authority may acquire by eminent domain any real property, including fixtures and improvements, which it deems necessary to carry out the purposes of this Part. The hospital authority may exercise the power of eminent domain under the provisions of Chapter 40A of the General Statutes or any other statute now in force or subsequently enacted for the exercise of the power of eminent domain.

(b) No property belonging to any city, town, or county, any government, religious or charitable organization, or to any existing hospital or clinic may be acquired without its consent. No property belonging to a public utility corporation may be acquired without the approval of the commission or other officer or agency, if any, having regulatory power over the corporation.

(c) The right of eminent domain shall not be exercised unless and until a certificate of public convenience and necessity for the facility has been issued by the North Carolina Utilities Commission. The proceedings leading up to issuing of the certificate of public convenience and necessity, and the right of appeal from the proceedings shall be governed by the Public Utilities

Act, Chapter 62 of the General Statutes, and the rights under that act are hereby expressly reserved to all interested parties in the proceedings. In addition to the powers now granted by law to the North Carolina Utilities Commission, the Utilities Commission is authorized to investigate and examine all facilities set up or attempted to be set up under this Part and to determine the question of public convenience and necessity for the facility. (1943, s. 780, s. 10; 1971, c. 799; 1981, c. 919, s. 18; 1983, c. 775, s. 1.)

§ 131E-25. Zoning and building laws.

All hospital facilities of the authority shall be subject to the planning, zoning, sanitary and building laws, ordinances and regulations applicable to the locality in which the hospital facility is situated. (1943, c. 780, s. 11; 1971, c. 799; 1983, c. 775, s. 1.)

§ 131E-26. Revenue bonds and notes.

(a) A hospital authority shall have the power to issue revenue bonds under the Local Government Revenue Bond Act, Chapter 159 of the General Statutes, Article 5, or the bond and revenue anticipation provisions of Chapter 159 of the General Statutes, Article 9, for the purpose of acquiring, constructing, reconstructing, improving, enlarging, bettering, equipping, extending or operating hospital facilities.

(b) A hospital authority shall have the power to borrow for the purposes above enumerated upon its notes or other evidences of indebtedness, subject to the approval of the Local Government Commission as provided in G.S. 131E-32(c). Such approval shall be required regardless of the amount of any such borrowing. Any borrowing by a hospital authority before the date of ratification of Part 2 of Article 2 of this Chapter, whether or not approved by the Local Government Commission, is valid, ratified and confirmed. (1983, c. 775, s. 1.)

§ 131E-27. Contracts with federal government.

A hospital authority is authorized:

- (1) To borrow money and accept grants from the federal government for or to aid in the construction of a hospital facility;
- (2) To acquire any land acquired by the federal government for the construction of a hospital facility; and
- (3) To acquire, lease or manage any hospital facility constructed or owned by the federal government.

To these ends, a hospital authority is authorized to enter into contracts, mortgages, trust indentures, leases or other agreements giving the federal government the right to supervise and approve the construction, maintenance and operation of the hospital facility. It is the purpose and intent of this Part to authorize every hospital authority to do any and all things necessary to secure the financial aid and cooperation of the federal government in the construction, maintenance, and operation of hospital facilities. (1943, c. 780, s. 19; 1971, c. 799; 1983, c. 775, s. 1.)

§ 131E-28: Repealed by Session Laws 2016-5, s. 5.3(a), effective May 11, 2016.

§ 131E-29. Audits and recommendations.

Each hospital authority shall file with the mayor of the city or the chairman of the county board of commissioners at least annually an audit report by a certified public accountant of its activities

for the preceding year, and shall make any recommendations necessary to carry out the purposes of this Part. (1943, c. 780, s. 22; 1971, c. 799; 1983, c. 775, s. 1.)

§ 131E-30. Appropriations.

Each year the governing body of a city or county in which the hospital authority is located may appropriate and transfer funds to the authority. The appropriations shall be from the General Fund and may not exceed five percent (5%) of the General Fund. Money appropriated and paid to the hospital authority by a city or county shall be deemed a necessary expense of the city or county. However, the appropriations shall not be deemed to be a revenue of the authority for the purpose of bonds of the hospital authority issued under the Local Government Revenue Bond Act, Chapter 159 of the General Statutes, Article 5. (1943, c. 780, s. 25; 1971, c. 780, s. 23; c. 799; 1983, c. 775, s. 1.)

§ 131E-31. Transfers of property by a city or county to a hospital authority.

(a) A city or county may lease, sell, convey, or otherwise transfer, with or without consideration or with nominal consideration, any property, whether real or personal or mixed, to a hospital authority whose territorial boundaries include at least part of the city or county. A hospital authority is authorized to accept such lease, transfer, assignment or conveyance and to bind itself to the performance and observation of any agreements and conditions required by the city or county.

(b) If a city or county sells, conveys, or otherwise irrevocably transfers to a hospital authority property with a market value in excess of two hundred fifty thousand dollars (\$250,000), and if the hospital authority accepts this property, the mayor of the city or the chairman of the county board of commissioners shall have the right to name additional commissioners to serve on the authority. The number of additional commissioners shall be such that the proportion of additional commissioners to existing commissioners is approximately equal to the proportion of the total value being transferred to the hospital authority to the total value of property already held by the authority. The determination of the ratios will be made solely by the governing body of the city or county transferring the property to the hospital authority; however, in no event shall fewer than two nor more than nine commissioners be added to the hospital authority. The total number of commissioners shall be increased by the number of commissioners added under this subsection. The times of commencement and expiration of the initial terms of the commissioners being added shall be determined by agreement between the hospital authority and the governing body of the city or county. After the expiration of the initial terms, subsequent terms will be three years. Copies of the agreement setting out the number of persons being added and the terms of each shall be filed with the clerk of the city or the clerk of the county board of commissioners making the transfer and, thereafter, copies of the reports referred to in G.S. 131E-29 shall be filed with the clerk of the city or the clerk of the county board of commissioners. (1943, c. 780, s. 26; 1961, c. 988, s. 2; 1971, c. 799; 1983, c. 775, s. 1.)

§ 131E-32. Purchase money security interests.

(a) An authority shall have the power and authority to purchase real or personal property under installment contracts, purchase money mortgages or deeds of trust, or other instruments, which create in the property purchased a security interest to secure payment of the purchase price and interest thereon. No deficiency judgment may be rendered against any authority for breach of an obligation authorized by this section. Any contract made or entered into by an authority before

the date of ratification of Part 2 of Article 2 of this Chapter which would have been valid hereunder is valid, ratified and confirmed.

(b) A hospital authority may contract pursuant to this section in an amount of less than seven hundred fifty thousand dollars (\$750,000), adjusted, as hereinafter provided, in any single transaction without the approval of the Local Government Commission: Provided, however, that the approval of the Local Government Commission shall be required for any single contract pursuant to this section if the aggregate dollar amount of all such contracts outstanding after any such single transaction, exclusive of revenue bonds issued pursuant to G.S. 131E-26 and federal contracts entered pursuant to G.S. 131E-27, would exceed ten percent (10%) of the total operating revenues, as hereinafter defined, of the hospital authority for its most recently completed fiscal year as set forth in the audited financial statements of such authority for such fiscal year. The approval of the Local Government Commission shall be required with respect to any single contract pursuant to this section in an amount of seven hundred fifty thousand dollars (\$750,000) or more, adjusted as hereinafter provided.

(c) Approval of the Local Government Commission under this section or as required by G.S. 131E-26(b) shall be obtained in accordance with such rules and regulations as the Local Government Commission may prescribe and shall be evidenced by the secretary's certificate on the contract or note or other evidence of indebtedness. In determining whether to approve any such contract or borrowing, the Local Government Commission shall consider whether the hospital authority can demonstrate the financial responsibility and capability of the hospital authority to fulfill its obligations with respect to such contract or borrowing. The Local Government Commission may approve the application without other findings, if it finds that (i) the proposed project or the purpose of the borrowing is necessary and expedient, (ii) the contract or the borrowing, under the circumstances, is preferable to a bond issue for the same purpose, (iii) the sums to fall due under the contract or borrowing are adequate and not excessive for the proposed purpose, (iv) the authority's debt management procedures are good, or that reasonable assurances have been given that its debt will henceforth be managed in strict compliance with law and (v) the authority is not in default on any of its debt service obligations. Any contract or borrowing subject to this subsection requiring the approval of the Local Government Commission that does not bear the secretary's certificate thereon shall be void, and it shall be unlawful for any officer, employee or agent of a hospital authority to make any payments of money thereunder. An order of the Local Government Commission approving any such contract or borrowing shall not be regarded as an approval of the legality of the contract or borrowing in any respect.

(d) The seven hundred fifty thousand dollars (\$750,000) amount referred to in G.S. 131E-32(b) shall be in effect from July 15, 1983 through September 30, 1984. For each twelve-month period thereafter, the seven hundred fifty thousand dollar (\$750,000) amount shall be the figure in effect for the preceding twelve-month period, adjusted to reflect the change in the preceding twelve-month period in the Department of Commerce Composite Construction Cost Index.

(e) For purposes of G.S. 131E-32(b), the "total operating revenues" of a hospital authority for a fiscal year means patient revenue, less provisions for contractual adjustments, uncompensated care and bad debts, plus other operating revenues, all as determined in accordance with generally accepted accounting principles. (1983, c. 775, s. 1.)

§ 131E-33. Part controlling.

Insofar as the provisions of this Part are inconsistent with the provisions of any other law, the provisions of this Part shall be controlling; however this Part shall not be construed as preventing a city, town, or county from establishing and operating a hospital under the authority of any other law now or hereafter in effect. (1943, c. 780, s. 28; 1971, c. 799; 1983, c. 775, s. 1.)

§ 131E-34: Repealed by Session Laws 2011-326, s. 17, effective June 27, 2011.

§§ 131E-35 through 131E-39. Reserved for future codification purposes.

Part 3. Hospital District Act.

§ 131E-40. Title and purpose.

- (a) This Part shall be known as the "Hospital District Act."
- (b) It is the purpose of this Part to authorize the creation of hospital districts to furnish hospital, clinical and similar services to the people of this State.
- (c) This Part provides an additional and alternative method for the provision of hospital, clinical and similar services.
- (d) This Part shall be construed liberally to effect its purposes. (1983, c. 775, s. 1.)

§ 131E-41. Methods of creation of a hospital district.

(a) The voters of an area may petition their county board of commissioners and the North Carolina Medical Care Commission for the creation of a hospital district. All of the area proposed to be included within a hospital district must be located within one county. The petition shall be signed by at least 500 voters of the area described in the petition. However, if the area has less than 1,100 voters, then the minimum number of petitioners shall be 250 voters. The petition shall set forth:

- (1) A description of the area to be included within the proposed hospital district;
- (2) The names of all municipalities located in whole or in part in the proposed hospital district;
- (3) The names of all publicly owned hospitals in the proposed hospital district;
- (4) The purpose or purposes sought to be accomplished by the creation of the hospital district; and
- (5) The proposed name of the hospital district.

The petition shall be delivered to the county board of commissioners of the county in which the proposed hospital district would be located. If the county board of commissioners approves the creation of the hospital district, they shall have the petition delivered to the North Carolina Medical Care Commission for review under G.S. 131E-42.

(b) In the alternative, the county board of commissioners, in its discretion, may create a hospital district by resolution. This authority exists only when one hospital district already exists in the county, or when a special tax levy for hospital purposes has been authorized or is now authorized with respect to a portion of the county. This power is limited to establishing a hospital district in the area lying outside the existing hospital district or outside the portion of the county in which a hospital tax levy has been or is now authorized. When a county board of commissioners exercises its power under this subsection, all other provisions of this Part shall be applicable, except as modified by this subsection. (1949, c. 766, s. 5; 1953, c. 1045, s. 1; 1959, cc. 877, 1074; 1971, c. 780, s. 37.4; 1973, c. 476, s. 152; c. 494, s. 45; c. 1090, s. 1; 1983, c. 775, s. 1.)

§ 131E-42. Hearing and determination.

(a) After receipt of a petition for the creation of a hospital district that meets the requirements of G.S. 131E-41(a) and that has been approved by the county board of commissioners, the North Carolina Medical Care Commission shall give notice of a hearing on the creation of a hospital district. The notice of hearing shall be posted at the county courthouse door and at three public places within the proposed district. In addition, notice of hearing shall be published at least once for three successive weeks in a newspaper circulating in the proposed district. The notice of hearing shall specify:

- (1) The date of hearing which shall not be earlier than 20 days after the first posting and publication of notice;
- (2) The location of the hearing, which shall be within the county in which the proposed district would be located; and
- (3) That any interested person may appear and be heard at the hearing.

(b) At the time and place specified in the notice of hearing, the North Carolina Medical Care Commission, or its designee, shall hear all interested persons, and, if necessary, adjourn and reconvene at a later time.

(c) After the hearing, the North Carolina Medical Care Commission shall determine if it is in the public interest and beneficial to the residents of the area to create a hospital district, and, if it is, shall adopt a resolution creating the hospital district. The resolution shall define the area to be included in the hospital district. The area shall either be the one described in the petition or a part of that area. However, no municipality, in whole or in part, shall be included in a hospital district unless the governing body of the municipality shall have approved by resolution the inclusion and shall have filed a certified copy of the resolution with the North Carolina Medical Care Commission.

(d) Each hospital district shall be designated by the North Carolina Medical Care Commission as the "_____ Hospital District of _____ County," inserting in the blank spaces a name identifying the locality and the name of the county.

(e) The North Carolina Medical Care Commission shall give notice of the creation of a hospital district. The notice shall be published at least once for two successive weeks in the newspaper in which the notice of hearing required by G.S. 131E-42(a) was published. A notice substantially in the following form, the blanks first being properly filled in, with the printed or written signature of the executive secretary of the North Carolina Medical Care Commission appended, shall be published with the resolution:

The foregoing resolution was passed by the North Carolina Medical Care Commission on the _____ day of _____, ____; it was first published on the _____ day of _____, _____.

Any action or proceeding questioning the validity of the resolution or creation of the _____ Hospital District of _____ County or the inclusion in the district of any of the areas described in the resolution must be commenced within thirty days after the first publication of this resolution.

Secretary
North Carolina Medical
Care Commission.

(1943, c. 766, s. 5; 1951, c. 805; 1953, c. 1045, ss. 1, 2; 1959, c. 877; 1973, c. 476, s. 152; c. 1090, s. 1; 1983, c. 775, s. 1; 1999, c. 456, s. 59.)

§ 131E-43. Limitation of actions.

Any action or proceeding in any court to set aside a resolution of the North Carolina Medical Care Commission creating any hospital district, or questioning the validity of the resolution, or the creation of any hospital district, or the inclusion in the district of any of the territory described in the resolution creating the district, must be commenced within 30 days after the first publication of the resolution and notice required by G.S. 131E-42(e). Thereafter, no right of action or defense founded upon the invalidity of a resolution or the creation of a district or the inclusion of any territory in the district shall be asserted, nor shall the validity of the resolution or the creation of the district or the inclusion of any territory be open to question in any court upon any ground, except in any action or proceeding commenced within the 30-day period. (1949, c. 766, s. 5; 1951, c. 805; 1953, c. 1045, s. 2; 1973, c. 476, s. 152; c. 1090, s. 1; 1983, c. 775, s. 1.)

§ 131E-44. General powers.

(a) The inhabitants of a hospital district are a body corporate and politic by the name specified by the North Carolina Medical Care Commission. Under that name they:

- (1) Are vested with all the property and rights of property belonging to any corporation;
- (2) Have perpetual succession;
- (3) May sue or be sued;
- (4) May contract;
- (5) May acquire any real or personal property;
- (6) May hold, invest, sell or dispose of property;
- (7) May have a seal and alter and renew it; and
- (8) May exercise the powers conferred upon them by this Part.

(b) A hospital district is vested with all the powers necessary or convenient to carry out the purposes of this Part, including the following powers, which are in addition to the powers granted elsewhere:

- (1) Those powers granted under the Municipal Hospital Act, Chapter 131E of the General Statutes, Article 2, Part A;
- (2) To issue general obligation and revenue bonds and bond anticipation notes pursuant to the Local Government Finance Act, Chapter 159 of the General Statutes;
- (3) To issue tax and revenue anticipation notes pursuant to Chapter 159 of the General Statutes, Article 9, Part 2; and
- (4) All other powers as are necessary and incidental to the exercise of the powers of this Part. (1971, c. 780, s. 37.4; 1973, c. 476, s. 152; c. 494, s. 45; 1983, c. 775, s. 1.)

§ 131E-45. County taxes.

The county board of commissioners may levy a tax for the financing of the operation, equipment, and maintenance of any hospital operated by the district, including any public or nonprofit hospital, if the tax is approved by a majority of the qualified voters of the hospital district who shall vote on the question of levying the tax. The county board of commissioners shall determine the rate or amount of taxes that will be levied if approved by the voters of the district. The election on the question of levying the tax may be held at any time fixed by the county board

of commissioners and shall be conducted in the same manner as bond elections held under G.S. 159-61. (1949, c. 766, s. 5; 1953, c. 1045, s. 6; 1983, c. 775, s. 1.)

§ 131E-46. Referendum on repeal of tax levy.

(a) The board of commissioners of the county in which a hospital district was created under the provisions of this Part may, if a tax levy was authorized by referendum under G.S. 131E-45, call a referendum on the repeal of the authority to levy a tax. Such referendum may be called only if there are no outstanding general obligation bonds of the district.

(b) The question on the ballot shall be:

FOR removal of the right of the board of county commissioners to levy and collect a tax in _____ Hospital District of _____ County,

AGAINST removal of the right of the board of county commissioners to levy and collect a tax in _____ Hospital District of _____ County."

(c) The referendum shall be conducted in the same manner as bond elections held under G.S. 159-61. No new registration of voters shall be required.

(d) If a majority of the votes cast are in favor of the question, then beginning on the first day of the fiscal year following the date of the referendum, the board of county commissioners shall have no authority to levy a tax in the hospital district unless the voters approve under G.S. 131E-45. No referendum may be held within one year of the date of a referendum under this section. (1983, c. 775, s. 1.)

§ 131E-47. Governing body.

The board of county commissioners of the county in which a hospital district is located shall be the governing body of the district. All of the provisions of the Municipal Hospital Act, Chapter 131E, Article 2, Part 1, shall apply to the hospital district and to the county board of commissioners as the governing body. (1953, c. 1045, s. 7; 1983, c. 775, s. 1.)

Part 4. Limited Liability.

§ 131E-47.1. Limited liability.

(a) A person serving as a director, trustee, or officer of a public hospital as defined in G.S. 159-39, or as a commissioner, member, or officer of a hospital authority established under Part 1 or 2 of this Article, or as a director, trustee, or officer of North Carolina Memorial Hospital, shall be immune individually from civil liability for monetary damages, except to the extent covered by insurance, for any act or failure to act arising out of this service, except where the person:

- (1) Is compensated for his services beyond reimbursement for expenses,
- (2) Was not acting within the scope of his official duties,
- (3) Was not acting in good faith,
- (4) Committed gross negligence or willful or wanton misconduct that resulted in the damage or injury,
- (5) Derived an improper personal financial benefit from the transaction,
- (6) Incurred the liability from the operation of a motor vehicle, or
- (7) Is defendant in an action brought under G.S. 55A-28.1 or 55A-28.2.

(b) The immunity in subsection (a) is personal to the directors, trustees, officers, commissioners, and members, and does not immunize the hospital or hospital authority for liability for the acts or omissions of the directors, trustees, or officers. (1987 (Reg. Sess., 1988), c. 1057, s. 1; c. 1100, s. 39.2.)

§ 131E-7. General powers.

(a) A municipality shall have all the powers necessary or convenient to carry out the purposes of this Part, including the following powers, which are in addition to the powers granted elsewhere in this Part:

- (1) To construct, equip, operate, and maintain hospital facilities;
- (2) To levy property taxes pursuant to G.S. 153A-149 or G.S. 160A-209 and to allocate those and other revenues whose use is not otherwise restricted by law to fund hospital facilities; a hospital district may levy annually a tax on property having a situs in the district under the rules and according to the procedures prescribed in the Machinery Act, Chapter 105 of the General Statutes, Subchapter II, and a hospital district may allocate those and other revenues whose use is not otherwise restricted by law to fund hospital facilities;
- (3) To issue bonds and notes pursuant to the Local Government Finance Act, Chapter 159 of the General Statutes, for the financing of hospital facilities;
- (4) To use property owned or controlled by the municipality;
- (5) To acquire real or personal property, including existing hospital facilities, by purchase, grant, gift, devise, lease, condemnation, or otherwise;
- (6) To establish a fee schedule for services received from hospital facilities and to make services available regardless of ability to pay.

(b) A municipality or a public hospital may contract with or enter into any arrangement with other public hospitals or municipalities of this or other states, the State of North Carolina, federal, or public agencies, or with any person, private organization, or nonprofit corporation or association for the provision of health care. The municipality or public hospital may pay for or contribute its share of the cost of any such contract or arrangement from revenues available for these purposes, including revenues rising from the provision of health care.

(c) Any two or more municipalities may enter into agreements to jointly exercise the powers, privileges, and authorities granted by this Part. These agreements may provide for:

- (1) The appointment of a board, composed of representatives of the parties to the agreement, to supervise and manage a hospital facility;
- (2) The authority and duties of the board and the compensation of its members;
- (3) The proportional share of the costs of acquisition, construction, improvement, maintenance, or operation of hospital facilities;
- (4) The duration, amendment, and termination of the agreement and the disposition of property on termination of the agreement; and
- (5) Any other matters as necessary.

(d) A municipality may lease any hospital facility, or part, to a nonprofit association on terms and conditions consistent with the purposes of this Part. The municipality will determine the length of the lease. No lease executed under this subsection shall be deemed to convey a freehold interest.

(e) A municipality shall not sell nor convey any rights of ownership the municipality has in any hospital facility, including the buildings, land and equipment associated with the hospital, to any corporation or other business entity operated for profit, except that nothing herein shall prohibit the sale of surplus buildings, surplus land or surplus equipment by a municipality to any corporation or other business entity operated for profit.

A municipality may lease any hospital facility, or part, to any corporation, foreign or domestic, authorized to do business in North Carolina on terms and conditions consistent with the purposes of this Part and with G.S. 160A-272. The municipality shall determine the length of the lease; however, no lease under this subsection shall be longer than 10 years, including

options to renew or extend the original term of the lease, except that leases of surplus buildings, surplus land or surplus equipment may be for any length of time determined by the municipality. The lease shall provide that the hospital facility will be operated as a community general hospital open to the general public and that the lessee will accept Medicare and Medicaid patients. No lease executed under this subsection shall be deemed to convey a freehold interest. No bonds, notes nor other evidences of indebtedness shall be issued by a municipality to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility when the facility is leased to a corporation, foreign or domestic, authorized to do business in North Carolina.

For purposes of this subsection, "surplus" means any building, land or equipment which is not required for use in the delivery of necessary health care services by a hospital facility at the time of the sale, conveyance of ownership rights, or lease.

This subsection shall not be construed to affect any pending litigation nor to reflect any legislative intent as to any prior authorized or executed agreements. This subsection shall be effective from January 1, 1984 until June 30, 1984.

(f) In addition to the general and special powers conferred by this Part, a municipality is authorized to exercise powers necessary to implement the powers under this Part. (1983, c. 775, s. 1; 1993, c. 529, s. 5.3; 1995, c. 509, s. 71.)

§ 131E-13. Lease or sale of hospital facilities to or from for-profit or nonprofit corporations or other business entities by municipalities and hospital authorities.

(a) A municipality or hospital authority as defined in G.S. 131E-16(14), may lease, sell, or convey any hospital facility, or part, to a corporation, foreign or domestic, authorized to do business in North Carolina, subject to these conditions, which shall be included in the lease, agreement of sale, or agreement of conveyance:

- (1) The corporation shall continue to provide the same or similar clinical hospital services to its patients in medical-surgery, obstetrics, pediatrics, outpatient and emergency treatment, including emergency services for the indigent, that the hospital facility provided prior to the lease, sale, or conveyance. These services may be terminated only as prescribed by Certificate of Need Law prescribed in Article 9 of Chapter 131E of the General Statutes, or, if Certificate of Need Law is inapplicable, by review procedure designed to guarantee public participation pursuant to rules adopted by the Secretary of the Department of Health and Human Services.
- (2) The corporation shall ensure that indigent care is available to the population of the municipality or area served by the hospital authority at levels related to need, as previously demonstrated and determined mutually by the municipality or hospital authority and the corporation.
- (3) The corporation shall not enact financial admission policies that have the effect of denying essential medical services or treatment solely because of a patient's immediate inability to pay for the services or treatment.
- (4) The corporation shall ensure that admission to and services of the facility are available to beneficiaries of governmental reimbursement programs (Medicaid/Medicare) without discrimination or preference because they are beneficiaries of those programs.
- (5) The corporation shall prepare an annual report that shows compliance with the requirements of the lease, sale, or conveyance.

The corporation shall further agree that if it fails to substantially comply with these conditions, or if it fails to operate the facility as a community general hospital open to the general public and free of discrimination based on race, creed, color, sex, or national origin unless relieved of this responsibility by operation of law, or if the corporation dissolves without a successor corporation to carry out the terms and conditions of the lease, agreement of sale, or agreement of conveyance, all ownership or other rights in the hospital facility, including the building, land and equipment associated with the hospital, shall revert to the municipality or hospital authority or successor entity originally conveying the hospital; provided that any building, land, or equipment associated with the hospital facility that the corporation has constructed or acquired since the sale may revert only upon payment to the corporation of a sum equal to the cost less depreciation of the building, land, or equipment.

This section shall not apply to leases, sales, or conveyances of nonmedical services or commercial activities, including the gift shop, cafeteria, the flower shop, or to surplus hospital property that is not required in the delivery of necessary hospital services at the time of the lease, sale, or conveyance.

(b) In the case of a sale or conveyance, if either general obligation bonds or revenue bonds issued for the benefit of the hospital to be conveyed are outstanding at the time of sale or conveyance, then the corporation shall agree to the following:

By the effective date of sale or conveyance, the corporation shall place into an escrow fund money or direct obligations of, or obligations the principal of and interest on which, are unconditionally guaranteed by the United States of America (as approved by the Local

Government Commission), the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all bonds then outstanding to the maturity date or dates of such bonds or to the date or dates specified for the redemption thereof. The corporation shall furnish to the Local Government Commission such evidence as the Commission may require that the securities purchased will satisfy the requirements of this section. A hospital which has placed funds in escrow to retire outstanding general obligation or revenue bonds, as provided in this section, shall not be considered a public hospital, and G.S. 159-39(a)(3) shall be inapplicable to such hospitals.

No bonds, notes or other evidences of indebtedness shall be issued by a municipality or hospital authority to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility if the facility has been sold or conveyed to a corporation, foreign or domestic, authorized to do business in North Carolina.

(c) In the case of a lease, the municipality or hospital authority shall determine the length of the lease. No lease executed under this section shall be deemed to convey a freehold interest. Any sublease or assignment of the lease shall be subject to the conditions prescribed by this section. If the term of the lease is more than 10 years, and either general obligation bonds or revenue bonds issued for the benefit of the hospital to be leased are outstanding at the time of the lease, then the corporation shall agree to the following:

By the effective date of the lease, the corporation shall place into an escrow fund money or direct obligations of, or obligations the principal of and interest on which, are unconditionally guaranteed by the United States of America (as approved by the Local Government Commission), the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all bonds then outstanding to the maturity date or dates of such bonds or to the date or dates specified for the redemption thereof. The corporation shall furnish to the Local Government Commission such evidence as the Commission may require that the securities purchased will satisfy the requirements of this section.

No bonds, notes or other evidences of indebtedness shall be issued by a municipality or hospital authority to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility when the facility is leased to a corporation, foreign or domestic, authorized to do business in North Carolina.

(d) The municipality or hospital authority shall comply with the following procedures before leasing, selling, or conveying a hospital facility, or part thereof:

- (1) The municipality or hospital authority shall first adopt a resolution declaring its intent to sell, lease, or convey the hospital facility at a regular meeting on 10 days' public notice. Notice shall be given by publication in one or more papers of general circulation in the affected area describing the intent to lease, sell, or convey the hospital facility involved, known potential buyers or lessees, a solicitation of additional interested buyers or lessees and intent to negotiate the terms of the lease or sale. Specific notice, given by certified mail, shall be given to the local office of each state-supported program that has made a capital expenditure in the hospital facility, to the Department of Health and Human Services, and to the Office of State Budget and Management.
- (2) At the meeting to adopt a resolution of intent, the municipality or hospital authority shall request proposals for lease or purchase by direct solicitation

of at least five prospective lessees or buyers. The solicitation shall include a copy of G.S. 131E-13.

- (3) The municipality or hospital authority shall conduct a public hearing on the resolution of intent not less than 15 days after its adoption. Notice of the public hearing shall be given by publication at least 15 days before the hearing. All interested persons shall be heard at the public hearing.
- (4) Before considering any proposal to lease or purchase, the municipality or hospital authority shall require information on charges, services, and indigent care at similar facilities owned or operated by the proposed lessee or buyer.
- (5) Not less than 45 days after adopting a resolution of intent and not less than 30 days after conducting a public hearing on the resolution of intent, the municipality or hospital authority shall conduct a public hearing on proposals for lease or purchase that have been made. Notice of the public hearings shall be given by publication at least 10 days before the hearing. The notice shall state that copies of proposals for lease or purchase are available to the public.
- (6) The municipality or hospital authority shall make copies of the proposals to lease or purchase available to the public at least 10 days before the public hearing on the proposals.
- (7) Not less than 60 days after adopting a resolution of intent, the municipality or hospital authority at a regular meeting shall approve any lease, sale, or conveyance by a resolution. The municipality or hospital authority shall adopt this resolution only upon a finding that the lease, sale, or conveyance is in the public interest after considering whether the proposed lease, sale, or conveyance will meet the health-related needs of medically underserved groups, such as low income persons, racial and ethnic minorities, and handicapped persons. Notice of the regular meeting shall be given at least 10 days before the meeting and shall state that copies of the lease, sale, or conveyance proposed for approval are available.
- (8) At least 10 days before the regular meeting at which any lease, sale, or conveyance is approved, the municipality or hospital authority shall make copies of the proposed contract available to the public.

(e) Notwithstanding the provisions of subsections (c) and (d) of this section or G.S. 131E-23, a hospital authority as defined in G.S. 131E-16(14) or a municipality may lease or sublease hospital land to a corporation or other business entity, whether for profit or not for profit, and may participate as an owner, joint venturer, or other equity participant with a corporation or other business entity for the development, construction, and operation of medical office buildings and other health care or hospital facilities, so long as the municipality, hospital authority, or other entity continues to maintain its primary community general hospital facilities as required by subsection (a) of this section.

(f) A municipality or hospital authority may permit or consent to the pledge of hospital land or leasehold estates in hospital land to facilitate the development, construction, and operation of medical office buildings and other health care or hospital facilities. A municipality or hospital authority also may, as lessee, enter into master leases or agreements to fund for temporary vacancies relating to hospital land or hospital facilities for use in the provision of health care.

(g) Neither G.S. 153A-176 nor Article 12 of Chapter 160A of the General Statutes shall apply to leases, subleases, sales, or conveyances under this Chapter.

(h) A municipality or hospital authority that has complied with the requirements of subdivisions (1) through (6) of subsection (d) of this section but has not, following good-faith negotiations, approved any lease, sale, or conveyance as required by subdivisions (7) and (8) of subsection (d) of this section may, not less than 120 days following the public hearing required by subdivision (5) of subsection (d) of this section, solicit additional prospective lessees or buyers not previously solicited as required by subdivision (2) of subsection (d) of this section and may approve any lease, sale, or conveyance without the necessity to repeat compliance with the requirements of subdivisions (1) through (6) of subsection (d) of this section, except for the following:

- (1) Before considering any proposal to lease or purchase the hospital facility or part thereof, the municipality or hospital authority shall require information on charges, services, and indigent care at similar facilities leased, owned, or operated by the proposed lessee or buyer.
- (2) The municipality or hospital authority shall declare its intent to approve any lease or sale in the manner authorized by this subsection at a regular or special meeting held on 10 days' public notice. Such notice shall state that copies of the lease, sale, or conveyance proposed for approval will be available 10 days prior to the regular or special meeting required by subdivision (3) of this subsection and that the lease, sale, or conveyance shall be considered for approval at a regular or special meeting not less than 10 days following the regular or special meeting required by this subsection. Notice shall be given by publication in one or more papers of general circulation in the affected area describing the intent to lease, sell, or convey the hospital facility involved and the potential buyer or lessee.
- (3) Not less than 10 days following the regular or special meeting required by subdivision (2) of this subsection, the municipality or hospital authority shall approve any lease, sale, or conveyance by a resolution at a regular or special meeting.
- (4) At least 10 days before the regular or special meeting at which any lease, sale, or conveyance is approved, the municipality or hospital authority shall make copies of the proposed contract available to the public. (1983 (Reg. Sess., 1984), c. 1066, s. 1; 1997-233, s. 2; 1997-443, s. 11A.118(a); 2000-140, s. 93.1(a); 2001-424, s. 12.2(b); 2015-288, s. 3.)

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AGENDA ITEM 7:

CORONAVIRUS (COVID-19) COMMUNITY UPDATE

MANAGER'S COMMENTS:

Ms. Jennifer Greene, AppHealthCare Director, will provide an update on the Coronavirus (COVID-19).

The report is for information only; therefore, no action is required.

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AGENDA ITEM 8:

WATAUGA COUNTY PUBLIC LIBRARY ANNUAL REPORT

MANAGER'S COMMENTS:

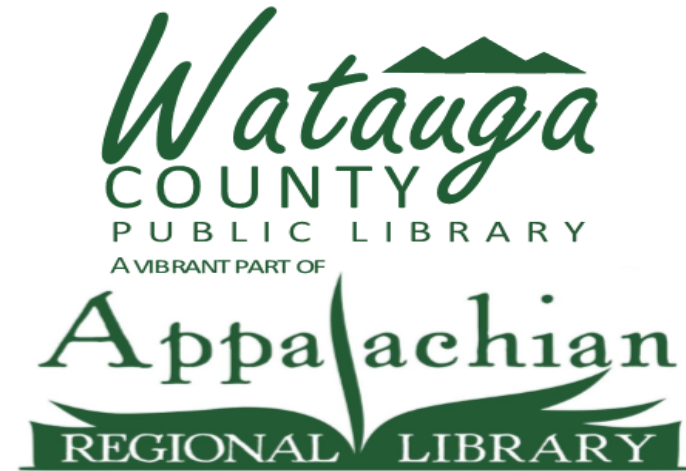
Ms. Monica Caruso, County Librarian, will present the Watauga County Public Library Annual Report.

The report is for information only; therefore, no action is required.

WATAUGA COUNTY PUBLIC LIBRARY

2020

Highlights





- Made DIY sneeze guards and put up throughout building
- Rearranged areas to open up space, closed off seating/water fountains, bathrooms opened
- Quarantine transit and book drop materials in meeting room for 4 days before checking in
- Put out hand sanitizer at all desks/self-check/OPACs and gave out over 1000 cloth masks
 - Required masks to be worn in building
 - Promoted Touchless Library Card
- Limited number of people in building /visits = 20 min./exception computer appts.

PANDEMIC CHANGES

Candyland on Lawn



Storywalks®



Grinch on Facebook 021621 BCC Meeting



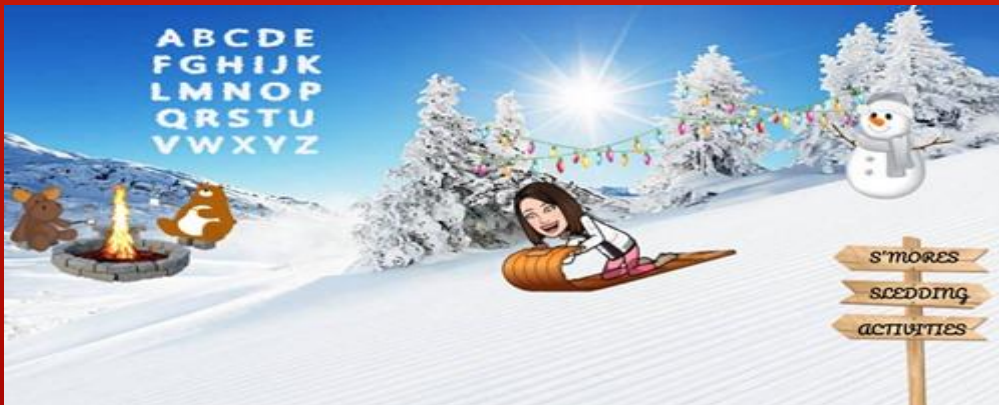
Storytimes on Facebook



Take it Make its/Scavenger Hunts

Scavenger Hunts

Digital Storytimes on Facebook



THE GREAT SUMMER READING

Book Scavenger Hunt

Week 4 Clue!

7 tiny boxes filled with books
Scattered across the county in crannies & nooks
Some are sponsored, some are not
The ones you seek, books mark the spot.
There you will find 3 new books
Cleaned and safely packed
Choose 1 for you to keep.
Click [HERE](#)

YOUTH SERVICES

Book Club for those with Intellectual/Developmental Disabilities



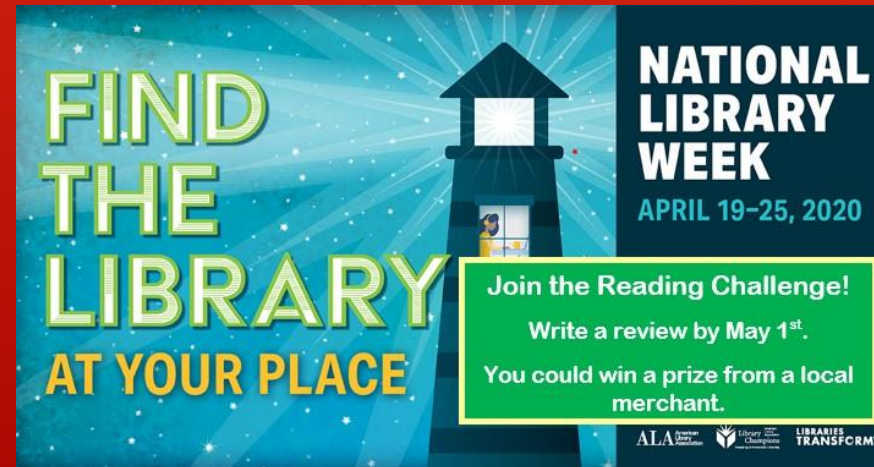
VITA ~ Volunteer Income Tax Assistance Program



Reading Challenge ~ promoted during NLW

Book Clubs

goodreads



ADULT SERVICES

Sugar Grove Preschool ~ Pre-pandemic



Christmas Drive-Through Fair



Schiele Museum



After-school visit to Mabel & Bethel Elementary ~ Pre-pandemic

021621 BCC Meeting



Storywalk® at Cove Creek Walking Trail



BRANCH SERVICES

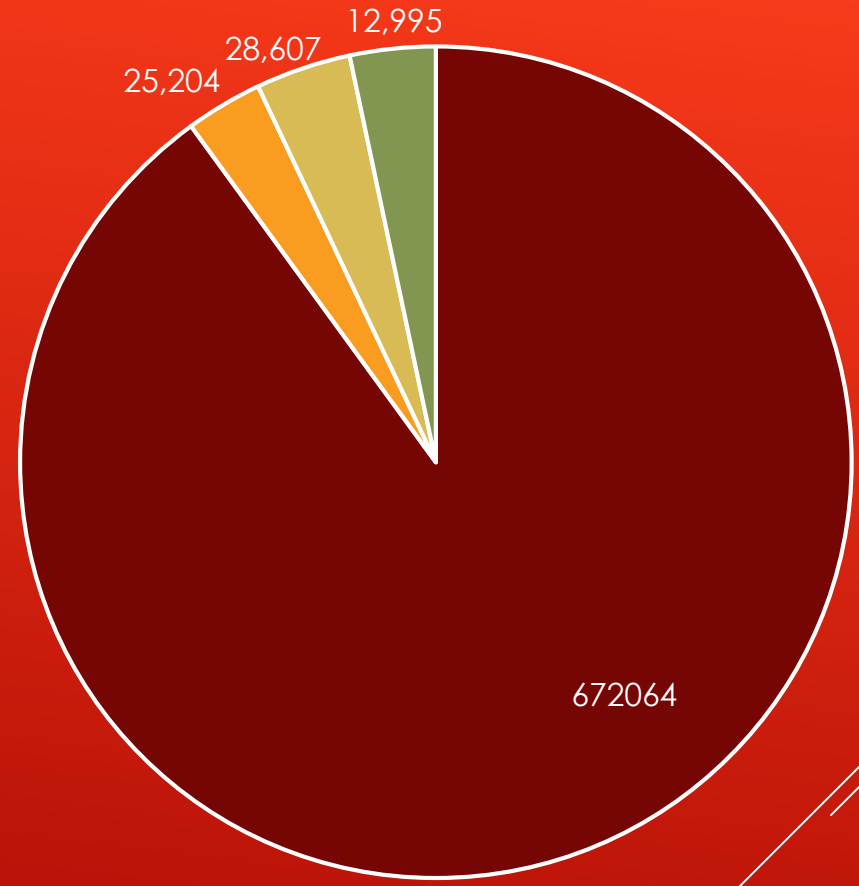
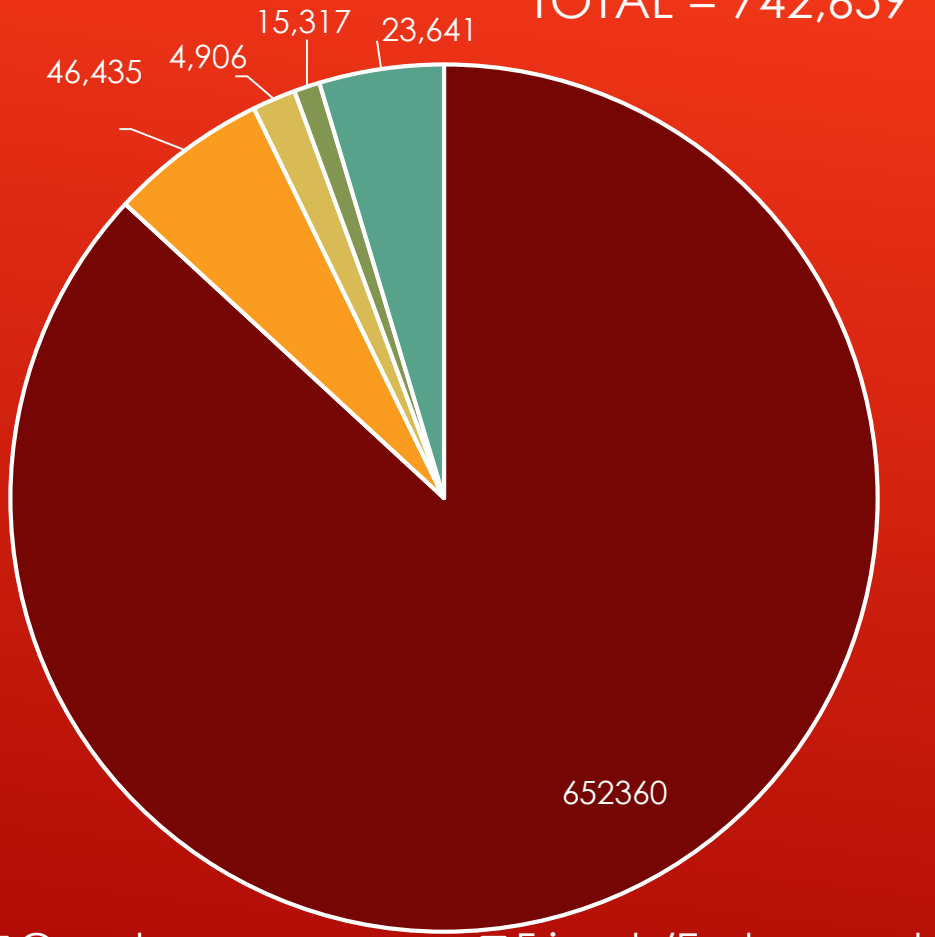
Revenue

FY 2020

Expenditures

TOTAL = 742,659

TOTAL = 738,870



- County
- Friends/Endowment
- Other Grants
- Donations
- Fines/Fees

- Personnel
- Operations
- Collections
- Programming

BY THE DOLLARS

Month	2020 Door Count	2019 Door Count	2020 Percent Cpd to 2019	Percent Decrease	2020 Circulation	2019 Circulation	2020 Percent Cpd to 2019	Percent Decrease	Note
January	10880	10656	102.1%	-2.1%	17935	18051	99.4%	0.6%	
February	11328	10746	105.4%	-5.4%	17268	16612	103.9%	-3.9%	
March	5657	12188	46.4%	53.6%	11465	17872	64.2%	35.8%	shutdown
April	0	12142	0.0%	100.0%	83	15910	0.5%	99.5%	shutdown
May	0	10744	0.0%	100.0%	766	16474	4.6%	95.4%	shutdown
June	3139	13072	24.0%	76.0%	9069	21576	42.0%	58.0%	June 15-30
July	5632	14909	37.8%	62.2%	14255	23887	59.7%	40.3%	July 1-25
August	5839	13300	43.9%	56.1%	15230	23026	66.1%	33.9%	
September	5536	11100	49.9%	50.1%	15115	20594	73.4%	26.6%	
October	5927	12556	47.2%	52.8%	15246	22544	67.6%	32.4%	
November	4850	10456	46.4%	53.6%	14148	17272	81.9%	18.1%	
December	4943	9850	50.2%	49.8%	15189	17262	88.0%	12.0%	

PANDEMIC STATS BY MONTH ~ DOOR COUNT & CIRC.

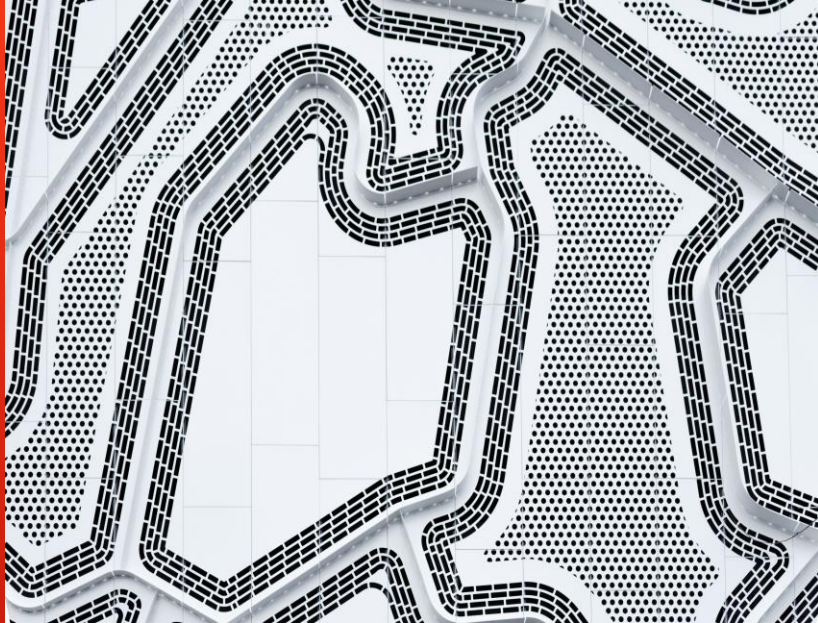
	2019		2020	
	Main	Branch	Main	Branch
Library Cards:	27,502	1,355	28,864	1,378
Circulation:	216,545	16,230	145,560	10,552
Door Count	141,719	8,363	63,731	1,702
Programs	847	74	285	30
Attendance	16,718	886	4,408	305
Curbside No. of Items (Mar – June 6 wks)			3,526	201
Facebook Programs/Posts (Likes)			2,586	321

BY THE NUMBERS

Kids Gardening Grant



LSTA Federal Grant ~ Strategic Planning



Digital Inclusion Grant 021621 BCC Meeting



UNIQUE GRANTS, 2020

Grants in Progress :

- ▶ Strategic Planning Grant ~ 20-21
 - ▶ Digital Inclusion Grant ~ 20-21
- ▶ NAMI High Country Inclusivity Grant ~ 2021
 - ▶ Grow with Google Mini-grant ~ 2021

LOOKING AHEAD

Thank you to the county for your continued support and to County Maintenance for the upkeep of the building.

AGENDA ITEM 9:

TAX MATTERS

A. Monthly Collections Report

MANAGER'S COMMENTS:

Mr. Larry Warren, Tax Administrator, will present the Monthly Collections Report and be available for questions and discussion.

The report is for information only; therefore, no action is required.

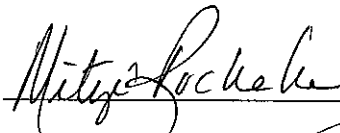
Monthly Collections Report

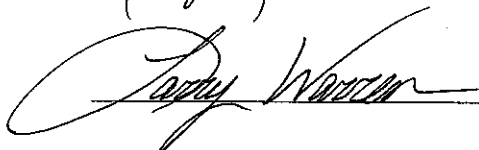
Watauga County

Bank deposits of the following amounts have been made and credited to the account of Watauga County. The reported totals do not include small shortages and overages reported to the Watauga County Finance Officer

Monthly Report January 2021

	<u>Current Month</u> <u>Collections</u>	<u>Current FY</u> <u>Collections</u>	<u>Current FY</u> <u>Percentage</u>	<u>Previous FY</u> <u>Percentage</u>
<u>General County</u>				
Taxes 2020	5,093,837.69	34,274,311.28	94.21%	93.83%
Prior Year Taxes	37,106.12	244,344.53		
Solid Waste User Fees	302,620.08	2,448,193.33	92.93%	92.26%
Green Box Fees	182.54	465.36	NA	NA
Total County Funds	\$5,433,746.43	\$36,967,314.50		
<u>Fire Districts</u>				
Foscoe Fire	52,194.13	446,187.98	94.40%	94.28%
Boone Fire	108,829.57	849,237.81	94.48%	94.34%
Fall Creek Service Dist.	1,826.77	8,957.00	92.18%	89.60%
Beaver Dam Fire	13,490.48	93,503.32	87.80%	88.44%
Stewart Simmons Fire	63,387.10	226,642.96	90.66%	90.97%
Zionville Fire	14,878.32	104,761.17	90.93%	89.98%
Cove Creek Fire	33,959.22	225,167.25	92.12%	92.44%
Shawneehaw Fire	11,968.56	92,049.94	91.66%	92.04%
Meat Camp Fire	27,502.63	194,439.30	92.15%	91.08%
Deep Gap Fire	29,369.85	175,782.23	93.79%	92.52%
Todd Fire	7,687.39	59,314.89	95.12%	93.58%
Blowing Rock Fire	69,789.09	468,200.39	94.54%	93.55%
M.C. Creston Fire	507.81	4,996.86	80.80%	84.77%
Foscoe Service District	9,021.89	70,716.76	94.11%	93.76%
Beech Mtn. Service Dist.	665.14	1,333.36	79.99%	77.44%
Cove Creek Service Dist.	211.45	324.15	100.00%	100.00%
Shawneehaw Service Dist	380.03	5,592.41	83.26%	88.46%
	\$443,842.66	\$3,018,250.78		
<u>Towns</u>				
Boone	926,541.06	5,843,690.15	97.11%	95.97%
Municipal Services	22,817.73	131,198.65	96.49%	92.46%
Boone MV Fee	NA	NA	NA	NA
Blowing Rock	NA	NA	NA	NA
Seven Devils	NA	NA	NA	NA
Beech Mountain	NA	NA	NA	NA
Total Town Taxes	\$949,358.79	\$5,974,888.80		
Total Amount Collected	\$6,826,947.88	\$45,960,454.08		

 Tax Collections Director

 Tax Administrator

AGENDA ITEM 9:

TAX MATTERS

B. Refunds and Releases

MANAGER'S COMMENTS:

Mr. Warren will present the Refunds and Releases Reports. Board action is required to accept the Refunds and Releases Reports.

01/29/2021 14:27
Larry.Warren

WATAUGA COUNTY
RELEASES - 01/01/2021 TO 01/29/2021

P 1
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OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE CHARGE	AMOUNT
1766793 BANC OF AMERICA LEASING AND CAPITAL LLC PO BOX 105578 ATLANTA, GA 30348	PP 2020	68	01/29/2021			0 C02	81.55
	2057			C02		G01	80.16
	REFUND RELEASE BILLED ON ANOTHER ACCOUNT				7619		161.71
1796732 BANC OF AMERICA LEASING AND CAPITAL LLC PO BOX 105578 ATLANTA, GA 30348	PP 2020	892	01/29/2021			0 G01	3.59
	3080			C03			
	REFUND RELEASE BILLED ON ANOTHER ACCOUNT				7620		
1785047 CLARK, JASON P CLARK, LACEY N 350 ROCKY MAPLE AVE BOONE, NC 28607	RE 2020	19038	01/08/2021			0 F02	239.64
	2819-08-3622-000			F02		G01	1,609.58
	TAX RELEASES				7621	SWF	80.00
	MUNIS BILLED A DEACTIVATED PARCEL						1,929.22
1764388 GREENE, BURL JONATHAN, III GREENE, KELLY M 846 MEAT CAMP RD BOONE, NC 28607	RE 2020	1000133	01/29/2021			0 F09	220.30
	1992-56-6309-000			F09		G01	1,775.62
	TAX RELEASES				7630		
	BUYERS QUALIFIED FOR CONTINUED USE						1,995.92
1764388 GREENE, BURL JONATHAN, III GREENE, KELLY M 846 MEAT CAMP RD BOONE, NC 28607	RE 2020	1000134	01/29/2021			0 F09	220.30
	1992-56-6309-000			F09		G01	1,555.32
	TAX RELEASES				7631		
	BUYER QUALIFIED FOR CONTINUED USE						1,775.62
1764388 GREENE, BURL JONATHAN, III GREENE, KELLY M 846 MEAT CAMP RD BOONE, NC 28607	RE 2020	1000135	01/29/2021			0 F09	220.30
	1992-56-6309-000			F09		G01	1,555.32
	TAX RELEASES				7632		
	BUYER QUALIFIED FOR CONTINUED USE						1,775.62
1588096 GUYNN, GERALD GUYNN, TAMMY 119 CARLIN COURT BOONE, NC 28607	PP 2020	1645	01/29/2021			0 SWF	80.00
	588096999			F02			
	TAX RELEASES BRADFORD PARK TOOK OWNERSHIP OF MOBILE H OME END OF 2019-				7627		
1070606 HARMON, JETHRO MRS 401 JOHN WARD ROAD SUGAR GROVE, NC 28679	RE 2020	27069	01/29/2021			0 F04	19.65
	1952-22-6240-000			F04		G01	158.38
	TAX RELEASES				7624		
	PARCEL SHOULD HAVE BEEN DEACTIVATED						178.03

01/29/2021 14:27
Larry.Warren

WATAUGA COUNTY
RELEASES - 01/01/2021 TO 01/29/2021

P 2
tncraprt

OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE	CHARGE	AMOUNT
1337476 HEMINGWAY, ANNETTE 1980 GREENWOOD AVE JACKSONVILLE, FL 32205-9371	RE 2020 1878-72-6564-000 TAX RELEASES	14817	01/29/2021	F01	7629	0	F01 G01 SWF	338.15 2,725.49 80.00
	PARCEL SHOULD HAVE BEEN DEACTIVATED							3,143.64
1075811 HENSON, JAMES B AND MARY NEAL 406 LONG RIDGE FARMS RD SUGAR GROVE, NC 28679	RE 2015 1971-20-8854-000 REFUND RELEASE	15706	01/29/2021	F07	7612	209,700	F07 G01	104.85 656.36
	PROPERTY IS IN THE PRESENT USE PROGRAM							761.21
1075811 HENSON, JAMES B AND MARY NEAL 406 LONG RIDGE FARMS RD SUGAR GROVE, NC 28679	RE 2016 1971-20-8854-000 REFUND RELEASE	15731	01/29/2021	F07	7613	209,700	F07 G01	104.85 656.36
	PROPERTY IS IN THE PRESENT USE PROGRAM							761.21
1075811 HENSON, JAMES B AND MARY NEAL 406 LONG RIDGE FARMS RD SUGAR GROVE, NC 28679	RE 2017 1971-20-8854-000 REFUND RELEASE	15858	01/29/2021	F07	7614	209,700	F07 G01	104.85 740.24
	PROPERTY IS IN THE PRESENT USE PROGRAM							845.09
1075811 HENSON, JAMES B AND MARY NEAL 406 LONG RIDGE FARMS RD SUGAR GROVE, NC 28679	RE 2018 1971-20-8854-000 REFUND RELEASE	15947	01/29/2021	F07	7615	209,700	F07 G01	104.85 740.24
	PROPERTY IS IN THE PRESENT USE PROGRAM							845.09
1075811 HENSON, JAMES B AND MARY NEAL 406 LONG RIDGE FARMS RD SUGAR GROVE, NC 28679	RE 2019 1971-20-8854-000 REFUND RELEASE	16130	01/29/2021	F07	7616	209,700	F07 G01	104.85 845.09
	PROPERTY IS IN THE PRESENT USE PROGRAM							949.94
1075811 HENSON, JAMES B AND MARY NEAL 406 LONG RIDGE FARMS RD SUGAR GROVE, NC 28679	RE 2020 1971-20-8854-000 REFUND RELEASE	33596	01/29/2021	F07	7617	209,700	F07 G01	104.85 845.09
	PROPERTY IS IN THE PRESENT USE PROGRAM							949.94
1628279 NARDI, JOSEPH PO BOX 193 SUGAR GROVE, NC 28679	PP 2020 335 TAX RELEASES	2623	01/29/2021	F07	7626	7,900	F07 G01	3.95 31.84
	REMOVED MH AND SWITCHED OUT WITH A 1994 14X58-OWNER DIDNT CALL TO UPDATE RECORDS							35.79
1766985 SKUBAL, TOM SKUBAL, THOMAS 5701 CAMINO DEL SOL UNIT 306 BOCA RATON, FL 33433	RE 2019 2818-63-7720-000 REFUND RELEASE PTC APPEAL SETTLEMENT	27308	01/14/2021	F12	7622	52,500	F12 G01	26.25 211.58
								237.83

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WATAUGA COUNTY
RELEASES - 01/01/2021 TO 01/29/2021

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OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE	CHARGE	AMOUNT
1766985 SKUBAL, TOM SKUBAL, THOMAS 5701 CAMINO DEL SOL UNIT 306 BOCA RATON, FL 33433	RE 2020	47286	01/29/2021			52,500	F12	26.25
	2818-63-7720-000			F12			G01	211.58
	TAX RELEASES PTC APPEAL SETTLEMENT				7623			237.83
1311372 SLUDER, WESLEY ALVIN AND LOIS 105 TATER HILL RD ZIONVILLE, NC 28698	RE 2020	31744	01/29/2021			14,360	F06	7.18
	1983-94-1891-000			F06			G01	57.87
	ELDERLY OR DISABLED EXEMPTION EXEMPTION DIDNT CARRY OVER				7618			65.05
DETAIL SUMMARY	COUNT: 19	RELEASES - TOTAL				1,385,460		16,732.33

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WATAUGA COUNTY
RELEASES - 01/01/2021 TO 01/29/2021

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RELEASES - CHARGE SUMMARY FOR ALL CLERKS

YEAR	CAT	CHARGE	AMOUNT	
2015	RE	F07	COVE CREEK FIRE RE	104.85
2015	RE	G01	WATAUGA COUNTY RE	656.36
			2015 TOTAL	761.21
2016	RE	F07	COVE CREEK FIRE RE	104.85
2016	RE	G01	WATAUGA COUNTY RE	656.36
			2016 TOTAL	761.21
2017	RE	F07	COVE CREEK FIRE RE	104.85
2017	RE	G01	WATAUGA COUNTY RE	740.24
			2017 TOTAL	845.09
2018	RE	F07	COVE CREEK FIRE RE	104.85
2018	RE	G01	WATAUGA COUNTY RE	740.24
			2018 TOTAL	845.09
2019	RE	F07	COVE CREEK FIRE RE	104.85
2019	RE	F12	BLOWING ROCK FIRE RE	26.25
2019	RE	G01	WATAUGA COUNTY RE	1,056.67
			2019 TOTAL	1,187.77
2020	RE	F01	FOSCOE FIRE RE	338.15
2020	RE	F02	BOONE FIRE RE	239.64
2020	RE	F04	BEAVER DAM FIRE RE	19.65
2020	RE	F06	ZIONVILLE FIRE RE	7.18
2020	RE	F07	COVE CREEK FIRE RE	104.85
2020	RE	F09	MEAT CAMP FIRE RE	660.90
2020	RE	F12	BLOWING ROCK FIRE RE	26.25
2020	RE	G01	WATAUGA COUNTY RE	10,494.25
2020	RE	SWF	SANITATION USER FEE	160.00
2020	PP	C02	BOONE PP	81.55
2020	PP	F07	COVE CREEK FIRE PP	3.95
2020	PP	G01	WATAUGA COUNTY PP	115.59
2020	PP	SWF	SANITATION USER FEE	80.00
			2020 TOTAL	12,331.96
			SUMMARY TOTAL	16,732.33

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WATAUGA COUNTY
RELEASES - 01/01/2021 TO 01/29/2021

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RELEASES - JURISDICTION SUMMARY FOR ALL CLERKS

JUR	YEAR	CHARGE	AMOUNT	
C02	2020	C02	BOONE PP	81.55
C02	2020	G01	WATAUGA COUNTY PP	80.16
		C02 TOTAL		161.71
C03	2020	G01	WATAUGA COUNTY PP	3.59
		C03 TOTAL		3.59
F01	2020	F01	FOSCOE FIRE RE	338.15
F01	2020	G01	WATAUGA COUNTY RE	2,725.49
F01	2020	SWF	SANITATION USER FEE	80.00
		F01 TOTAL		3,143.64
F02	2020	F02	BOONE FIRE RE	239.64
F02	2020	G01	WATAUGA COUNTY RE	1,609.58
F02	2020	SWF	SANITATION USER FEE	160.00
		F02 TOTAL		2,009.22
F04	2020	F04	BEAVER DAM FIRE RE	19.65
F04	2020	G01	WATAUGA COUNTY RE	158.38
		F04 TOTAL		178.03
F06	2020	F06	ZIONVILLE FIRE RE	7.18
F06	2020	G01	WATAUGA COUNTY RE	57.87
		F06 TOTAL		65.05
F07	2015	F07	COVE CREEK FIRE RE	104.85
F07	2015	G01	WATAUGA COUNTY RE	656.36
F07	2016	F07	COVE CREEK FIRE RE	104.85
F07	2016	G01	WATAUGA COUNTY RE	656.36
F07	2017	F07	COVE CREEK FIRE RE	104.85
F07	2017	G01	WATAUGA COUNTY RE	740.24
F07	2018	F07	COVE CREEK FIRE RE	104.85
F07	2018	G01	WATAUGA COUNTY RE	740.24
F07	2019	F07	COVE CREEK FIRE RE	104.85
F07	2019	G01	WATAUGA COUNTY RE	845.09
F07	2020	F07	COVE CREEK FIRE RE	108.80
F07	2020	G01	WATAUGA COUNTY RE	876.93
		F07 TOTAL		5,148.27
F09	2020	F09	MEAT CAMP FIRE RE	660.90
F09	2020	G01	WATAUGA COUNTY RE	4,886.26
		F09 TOTAL		5,547.16
F12	2019	F12	BLOWING ROCK FIRE RE	26.25
F12	2019	G01	WATAUGA COUNTY RE	211.58
F12	2020	F12	BLOWING ROCK FIRE RE	26.25
F12	2020	G01	WATAUGA COUNTY RE	211.58

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WATAUGA COUNTY
RELEASES - 01/01/2021 TO 01/29/2021

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RELEASES - JURISDICTION SUMMARY FOR ALL CLERKS

JUR	YEAR	CHARGE	AMOUNT
		F12 TOTAL	475.66
		SUMMARY TOTAL	16,732.33

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AGENDA ITEM 10:**SHERIFF'S OFFICE FY 21-22 VEHICLE PURCHASE REQUEST****MANAGER'S COMMENTS:**

The Watauga County Sheriff's Office will request the Board to approve the purchase of the following vehicles from Ilderton Dodge through the NC Sheriffs Vehicle Procurement Contract:

6 Dodge Durango SUV AWD V6- \$30,702 each

1 Dodge Charger Sedan AWD V6- \$26,949

1 Dodge Ram SSV Truck 4WD- \$27,024

Additionally, approval is requested for the purchase of (8) Kenwood Viking Dual Band Radios from Radio Communications Company of Asheville for \$4,694.38 each. The total amount requested is \$282,933.59 including taxes and tags. Adequate funds have been budgeted to cover the requested purchases.

Board approval is required to accept Ilderton Dodge's bid in the amount of \$245,378.55 and Radio Communications Company's bid in the amount of \$37,555.04 for a total amount of \$282,933.59.



WATAUGA COUNTY SHERIFF'S OFFICE

184 HODGES GAP ROAD
BOONE, NORTH CAROLINA 28607
(828) 264-3761 • FAX (828) 263-5345

LEN D. HAGAMAN, JR.
SHERIFF

02/09/2021



To: Deron Geouque- Watauga County Manager

From: Major Kelly Redmon

Ref: FY 21-22 Vehicle Purchase

The Watauga County Sheriff's Office request Watauga County Board of Commission approval to purchase the following vehicles from Ilderton Dodge thru the NC Sheriffs Vehicle Procurement contract.

6 Dodge Durango SUV AWD V6- \$30,702 each

1 Dodge Charger Sedan AWD V6- \$26,949

1 Dodge Ram SSV Truck 4WD- \$27,024

The funds for these are in the Sheriff's Budget for FY 21-22.

Additionally, WCBCC approval is requested for the purchase of (8) Kenwood Viking Dual Band Radios from Radio Communications Company of Asheville- \$4,694.38 each

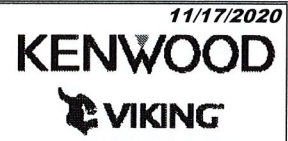


Radio Communications Company (Corporate)
 8035 Chapel Hill Road, Cary, NC 27513
 PO Box 68, Cary, NC 27512
 O: 919-467-2421 F: 919-467-6548

Tom Lafferty
 Regional Manager
 M: 704-361-5876
 tlafferty@rccws.com

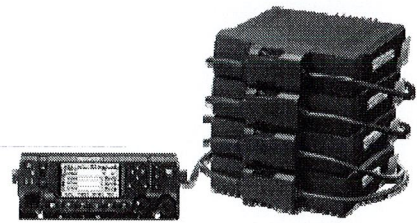
RCC Asheville
 6 Celtic Drive, Suite B-6
 Arden, NC 28704
 828-417-0200

Watauga County Sheriffs Office
 Kelly Redmon
 184 Hodges Gap Road
 Boone, NC 28607
 O: 828-264-3761 M: 828-265-7607



PROMO CODE: VIPERTDMA - VALID Through July 1, 2022

QTY	DESCRIPTION	EACH	AMOUNT
1	VM7930BF-S Kenwood VM7000 Mobile Radios INCLUDES: VM7930BF-S (700/800) & VM7730HBF-S (HP VHF) Single Remote Mount Control Head KCH-20RV 2 Radio Decks - 700/800 & High Power VHF 25' Control Cable 1024 Channels/Talkgroups Trunking Protocols Included: P25T PH1 & PH2 TDMA P25 CAI AMBE+2 TrueVoice Noise Cancellation Multi-Key (MK) AES Encryption Three Year Warranty External Speakers / Ign Sense / Spkr to CH MDC1200 Signalling	\$4,148.55	\$4,148.55
1	2990600013 2-Year Extended Warranty (5-Years Total)	\$140.00	\$140.00
1	BMAX150D 2.2dB Gain Mobile VHF Antenna	\$25.00	\$25.00
1	MAX7603S 3dB Gain Mobile Whip Antenna 760-870MHz <i>(Optional Low Profile Ant 740-870MHz \$36.)</i>	\$29.00	\$29.00
2	NMO58U-NC Mobile RF Cable	\$20.00	\$28.00



*** Non-Grant Eligible Single-Key DES Encryption & ARC4 (ADP) Encryption
 US Customers only: User understands and acknowledges that the equipment is configured with voice encryption that does not meet DHS OIC Encryption requirements for P25 CAP compliance (Grant Eligible). Free with order.

Creation of a new programming template \$350. Includes up to six (6) zones of 16 talkgroups/channels in addition to eight (8) "standard" Viper zones (EVENT A, EVENT B, STATEWIDE, NPS, NCSPLX, SHP (MAID and COM2), ROAM/POOL, TOWER). If more zones are required, please contact us to discuss. Per radio programming \$45. Price includes programming using existing template with no modifications.

Equipment Total without Tax:	\$4,370.55
Estimated Shipping:	\$27.00
Programming:	\$0.00
Installation:	\$0.00
Estimated Sales Tax:	\$296.83
Project Total:	\$4,694.38

Confidential, Proprietary & Competition Sensitive

Payment is due upon receipt of radios and not when radio ID's are released by any system. RCC has no responsibility for the assignment and release of radio ID's for NC VIPER / BUNC700 or other system. Prices quoted are based on quantities listed. Changes in quantities may result in price changes. Net 30 - Payment due 30 days after invoice date. (with RCC approved account) Issuance of a Purchase Order based on this quote assumes agreement with these Proposal valid for 30 days from date printed above. Contact Tom Lafferty for further information: M: 704-361-5876 O: 828-417-0200

November 17, 2020



Mobile Communications Inc
 119 Griffith Plaza Drive
 Winston Salem, NC 27103

Estimate

Date	Estimate #
1/27/2021	21-9080

Name / Address

Watauga County Sheriffs Office
 184 Hodges Gap Rd
 Boone, NC 28607

Ship To

Watauga County Sheriffs Office
 184 Hodges Gap Rd
 Boone, NC 28607

P.O. No.	Terms	Rep
	Net 30	MDH

Item	Description	Qty	Rate	Total
VM7730HBF-P	Kenwood Viking VM7000 VHF High Power mobile radio.	8	3,100.00	24,800.00T
VM7930BF-S	Kenwood Viking 7/800mhz mobile radio RF deck only	8	1,100.00	8,800.00T
kch-20RV	Kenwood Viking control head	8	700.00	5,600.00T
KCT-71M3	Remote Cables [25 feet]	8	82.00	656.00T
KMC-65M	Kenwood Viking mobile mic	8	53.00	424.00T
KCT-23M3	CABLE(DC CABLE)23FEET M-POWER	8	35.00	280.00T
KCT-23M4	DC Cable (50-110W Remote mount)	8	46.00	368.00T
KMB-33M	Mounting Bracket	1	14.50	14.50T
KMB-36	Kenwood High Power radio mounting bracket	8	77.00	616.00T
KCT-71M4	Kenwood Control cable 1.6ft	8	46.00	368.00T
KRK-17BF	Remote Kit for Viking/ connect external speakers	8	100.00	800.00T
KES-5	external speaker 20w Kenwood 90 series	16	61.25	980.00T
KAP-2	Horn alert/PA relay kit: Kenwood	8	64.00	512.00T
8322000002	P25 Conventional software	8	350.00	2,800.00T
8322000005	P25 Phase I trunking option	8	125.00	1,000.00T
8322000006	Kenwood Viking P25 Phase II trunking option	8	400.00	3,200.00T
8323000004	Kenwood Viking Multi Key AES and ARCH4 encryption	8	475.00	3,800.00T
8326000002	MDC signaling for Viking radios	8	75.00	600.00T
Programming	Programming charge \$49 per viper radio	8	0.00	0.00T
Programming	Programming charge \$20.00 per VHF radio	8	0.00	0.00T
TAD6113A	antenna kit VHF 1/4 wave 152-162	8	25.00	200.00T

This is a Formal Quote Valid for 60 days.

Subtotal

Phone #	Fax #	Web Site	Sales Tax (6.75%)
3367938259	1-877-463-2830	www.mobilecomminc.com	Total



Mobile Communications Inc
 119 Griffith Plaza Drive
 Winston Salem, NC 27103

Estimate

Date	Estimate #
1/27/2021	21-9080

Name / Address

Watauga County Sheriffs Office
 184 Hodges Gap Rd
 Boone, NC 28607

Ship To

Watauga County Sheriffs Office
 184 Hodges Gap Rd
 Boone, NC 28607

P.O. No.	Terms	Rep
	Net 30	MDH

Item	Description	Qty	Rate	Total
RAF4021ARA	antenna 800 MHz kit with coax cable and antenna	8	35.00	280.00T
SHIPPING	Shipping and Handling	1	85.00	85.00T
discount	GSA discount		-13,395.00	-13,395.00

This is a Formal Quote Valid for 60 days.

			Subtotal	\$42,788.50
Phone #	Fax #	Web Site	Sales Tax (6.75%)	\$2,888.22
3367938259	1-877-463-2830	www.mobilecomminc.com	Total	\$45,676.72

\$5,348.50 each

Radio Source LLC
 DBA Radio Express
 5407-C Port Royal Rd
 Springfield, VA 22151
 O: 800-545-7748; F: 703-830-8710
 www.radioexpressinc.com



Quote

Date	Quote #
2/10/2021	4760

Watauga County Sheriff's Office
 Attn: Kelly Redmon
 (828) 265-7607
 kelly.redmon@watgov.org

			Terms	Rep
				SLV
Item	Description	Qty	Cost	Total
M/E	VM7000 Dual Deck, Single Remote Dual Band Primary Band - VM7730HBF-P - VHF Hi Power Secondary Band - VM7930BF-S - 7/800 MHz KCH-20 Single Remote Control Head KCT-71M2 - 17 ft Remote Cable KMC-65M Standard Speaker Mic KCT-23M4 - Hi Power Deck DC Cable KCT-23M3 - Standard Deck DC Cable KMB-36 - Hi Power Deck Mounting Bracket KMB33M - Standard Deck Mounting Bracket KCT-71M4 - Control Cable KRK-17BF - Remote Kit Protocol - Analog FM / P25 CAI A MBE=2 System - Analog Conventional / P25 Conventional / P25 Phase 1 Trunking / P25 Phase 2 TDMA 1024 Channels Encryption - Multi Key AES & ARC4 (ADP Compatible) Antenna Kit - 3dB 700/800 MHz Roof Mount Antenna Kit - 2dB VHF Roof Mount Mobile Speaker - 40W Max Input, VM-T	1	5,430.00	5,430.00T
	Sales Tax (0.0%)			\$0.00
We appreciate your business! Any comments (Good -or- Bad) Please let us know.		Total		\$5,430.00

Customer Signature _____

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AGENDA ITEM 11:

MISCELLANEOUS ADMINISTRATIVE MATTERS

A. Designation of Unassigned Fund Balance from the Fiscal Year 2020 Audit

Per direction from the Board, staff is requesting to appropriate \$982,500 to implement the Employee Compensation and Retention Plan and transfer to the Capital Projects Fund \$4,000,000 for future County facilities, maintenance, emergency communications, and economic development.

Board action is required to authorize the request.

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AGENDA ITEM 11:**MISCELLANEOUS ADMINISTRATIVE MATTERS*****B. Boards and Commissions*****MANAGER'S COMMENTS:****Boone Rural Fire Protection Service District Board****Watauga County Planning Board**

Each Commissioner nominates a representative to the Boone Rural Fire Protection Service District Board and the Watauga County Planning Board whose terms run concurrent with the term of the appointing Commissioner. Planning Board members must live within the appointing Commissioner's District and action must be taken by the entire Board of Commissioners to make these appointments. Boone Rural Fire Service District Board members must own property and reside within the Fire Service District.

Commissioner Turnbow nominates Mr. Jody Eller to serve as his District's representative on the Boone Rural Fire Service District Board. Mr. Eller does meet the requirements to serve on this Board. This is a first reading.

Tourism Development Authority (TDA)

The following Watauga County TDA Board members terms expired at the end of February:

- Jim Neustadt, Owner/Operator of Valle Crucis Log Cabin Rentals
- Brad Moretz, Owner/Operator of both Appalachian Ski Mountain and Appalachian Ski Mountain Slopeside Lodgings.

Both are willing and eligible to be re-appointed to 3-year terms and the TDA Board supports the re-nomination of both.



**TO: Watauga County Commissioners
Deron Geouque – Watauga County Manager**

FROM: Wright Tilley – Executive Director, Watauga County TDA

DATE: 2/4/21

RE: TDA Board Nominations

Deron and Watauga County Commissioners,

The Watauga County TDA has two board members whose terms will expire at the end of February. Those board members are Jim Neustadt and Brad Moretz. Both Jim and Brad are in seats that represent businesses that collect the occupancy tax. Per our enabling legislation, 1/3 of the members of the TDA board must represent lodging businesses that collect the occupancy tax.

Jim Neustadt is the owner/operator of Valle Crucis Log Cabin Rentals. Brad Moretz is the owner/operator of Appalachian Ski Mountain and Appalachian Ski Mountain Slopeside Lodgings.

Jim and Brad are both requesting to be appointed to another 3-year term on the Watauga TDA board.

Both individuals have been excellent board members and both have strong attendance records during their prior term. They both also have extensive knowledge of the tourism industry and experience with marketing and promoting a tourism business.

The TDA board supports their re-appointment and asks that you consider allowing them to continue serving on the board.

AGENDA ITEM 11:

MISCELLANEOUS ADMINISTRATIVE MATTERS

C. Announcements

MANAGER'S COMMENTS:

AGENDA ITEM 12:

PUBLIC COMMENT

AGENDA ITEM 13:

BREAK

AGENDA ITEM 14:

CLOSED SESSION

Attorney/Client Matters – G. S. 143-318.11(a)(3)
Land Acquisition – G. S. 143-318.11(a)(5)(i)