

Lincoln County Board of Commissioners
Special Meeting
September 23, 2016

Present: Chairman Roy Hubert, Commissioner Cresley McConnell, Commissioner Rebecca Wood, Clerk Brenda Farnworth for minutes.

10:00am Chairman Hubert called the meeting to order.

Scott Smith, Counsel for BRP, and Lewis Chandler from BRP joined the meeting and Tug Worst, Counsel for the County.

Chairman Hubert began the discussion by going back to the day the Commissioners met at the Care Center for their monthly review meeting and they were introduced to Cascadia personnel and were informed that Cascadia would be buying the business operations from BRP. Because of that, the County retained counsel, Tug Worst, to help draft a new lease agreement with Cascadia.

Chairman Hubert stated the position of the Commissioners as custodians of County assets and funds and concerns over the cash flow from the Lincoln County Care Center.

Discussion on which topics were of interest to the Commissioners and which could be in open session and which may need to be discussed in Executive Session. Commissioners would like to know how we got here, why we are here and where we are going. This is for information gathering and allow BRP to state their position as Cascadia and Roy Prescott had at the last meeting. All these topics should be in open meeting, unless the discussion leads to litigation, and those should be discussed in Executive Session.

Lewis Chandler noted that he did not have counsel with him at the last meeting and one of the visitors to the meeting, they are in litigation with and felt it would not be appropriate for him to also attend.

Joel Rogers is the new interim administrator of the Lincoln County Care Facility. Plan is for Dawn to move into the administrator position.

Lewis Chandler began by informing the Commissioners that BRP is healthy and secure and they are in it for the long term. Cascadia was introduced to BRP through a broker, which happens quite frequently. He explained the process as it moved forward with Cascadia in a letter of intent and a consulting agreement. They were looking to sell a majority of their holdings to Cascadia, but unfortunately could not come to terms.

BRP closed a hospital and adolescent center holdings in August. In so doing, they stopped the losses that were occurring at those facilities.

Lewis explained the BRP organization and principals.

Discussion on the terms of the lease. Commissioner Wood explained to all in the meeting that the Commissioners were told by Darwin, they thought with instructions from BRP, that they

needed to renew the lease agreement, since the old one ended in 2014. This was months before Cascadia came into the picture. E. Scott had been working on changes to the lease agreement with the Commissioners.

Discussion on how the County started the new lease discussions with Cascadia.

Scott Smith requested a short recess with Lewis, and then with Tug.

10:40am Chairman Hubert called a short recess.

10:46am Chairman Hubert re-convened the meeting.

Lewis addressed the loss on the balance sheet of a loss of approximately (\$300,000), as being due to the payment of the bed tax and that they have not yet received the UPL monies from the State. The amount due from the State is \$690,000 for the Lincoln County facility and combined for all their facilities is approximately \$2.2m. The Lincoln County facility breaks even with out the UPL if the bed fill count is at 33 beds. The County receives lease payments if the average bed fill is over 27. The County has not received a lease payment for several months, but will receive a lease payment in October.

Discussion on the original agreement with BRP and changes that have taken place.

Commissioner Wood asked, if BRP and Cascadia were only in a letter of intent, why was Cascadia paying bills and paying for payroll during the agreement. Scott Smith explained that Cascadia helped to keep the company in business, with a promise of payback from the UPL monies. Scott explained that Cascadia was paying vendors, but on BRP money except for the one payroll of \$225,000, which was approximately one-third of the total company payroll. They considered it a loan to be paid back with UPL money.

Scott noted that payments to Roy Prescott are not late, and not in default. Employees have never been paid late, there are arrangements with vendors and all health insurance programs are in the name of BRP and not Cascadia. These facts are contrary to information received at the last meeting with Owen Hammond.

Discussion on the total number of employees at the Lincoln County Care Center. Lewis Chandler says there were 51 paychecks issued on the last payroll. In the last meeting review with Darwin the administrator, the Commissioners received a report that there were 72 employees and 47 from Lincoln County. Discussion on employee numbers and Lewis will get a firm count for the Commissioners.

Tug suggested that BRP give the Commissioners a pro-forma or a business plan for going forward to get a comfort level of the future of the business. Lewis will get the Commissioners this next week.

Discussion on the UPL in Idaho and how it can be attractive to buyers of Nursing Homes. The uses of the UPL are for operations, but can be used for facilities.

Discussion on possible additions to the building to add more beds to make the operation more profitable.

Discussion on the license of the operation, it is under the name of BRP. Roy Prescott is a creditor only. Health & Welfare do an annual survey of the operations and facilities and they are in good standing.

Discussion on a new lease agreement if the Commissioners decide to move forward with BRP.

Scott and Lewis stepped out of the meeting for a short conversation.

Lewis explained that one of the vendors had offered to give BRP a short-term loan to get through to the receipt of the UPL. Cascadia came in and gave another option.

Commissioner Wood expressed concerns from employees at the Care Center that she has received. Some employees have quit and they are not being informed by management anything that is going on and they are nervous.

Lewis spoke to those concerns and realized they need to have a meeting with employees. He also gave an opinion from their medical director of the operations of Cascadia.

Scott Smith offered to leave a copy of the complaint filed against Rob Deloach to relieve the concerns of the Commissioners about the situation with him.

11:47am Scott Smith and Lewis Chandler left the meeting.

Commissioner McConnell made a motion to go into Executive Session pursuant to IC74-206(1)(f) Litigation. Commissioner Wood seconded. Vote; Commissioner Wood, aye; Commissioner McConnell, aye; Chairman Hubert, aye. Vote unanimous in favor, motion carries.

Chairman Hubert adjourned the meeting to Executive Session.

12:05 Chairman Hubert adjourned Executive Session and re-convened the Regular Meeting.

Commissioners received a resignation from Deanna Sutter as President of the Richfield QRU and Robert Newey will fill the position for future. Discussion on how to dissolve the Richfield QRU.

Chairman Hubert would like to discuss the increase of his Medicare premiums that took place before the new budget and would like to be compensated for the difference that he has incurred. Discussion.

Discussion on the ITD Meeting that Commissioners McConnell and Wood attended. ITD is planning to move their administration to Twin Falls. They will have representatives attend a Commissioners meeting to explain their plans.

Chairman Hubert reported on a meeting with the BLM on the land transfer for the Transfer Station and meeting with Shoshone School on the old building.

Discussion on the DMV and Driver's license changing.

Discussion on the proposed Source Water Ordinance.

12:38pm Chairman Hubert adjourned the meeting.

Respectfully,

Brenda Farnworth, Clerk

Roy E. Hubert, Chairman

Attest:

Brenda Farnworth, Clerk