
Board of Directors Meeting Minutes

September 15-16, 2017

Directors Present: Lucy Drake, Chairman, Amanda Blanks, Bill Burgin, George Dunlap, Nancy Fey-Yensan, Ethel Fuller, Carolyn Hoskins, Fred McClure, John Moon, Marcelle Smith, Danny Wright, and Steve Yuhasz

Directors Absent: Bryan Thompson

Staff Present: Richard Topping, Pete Murphy, Amy Kendall, Will Woodell, Chuck Hollowell, Ranota Hall, James Otterberg, Rob Bryan and Callan Skinner

1. Call to Order

Lucy Drake, Chairman, called the meeting to order at 6:44 p.m.

- i. Richard Topping, Chief Executive Officer, recognized Fred McClure for being awarded the M.H. "Jack" Brock Outstanding County Commissioner Award for 2017.
- ii. Mr. Topping also recognized Danny Wright for recently being inducted into the North Carolina Association of County Commissioners (NCACC) Hall of Fame as part of its 2017 class.

2. Consent Agenda

Chairman Drake reviewed the Consent Agenda items with the Board of Directors.

A motion was made and seconded to approve the Consent Agenda items as presented, consisting of: (i) the Annual Quality Strategy & Performance Improvement Plan for FY 2018, and (ii) the July 2017 Board of Directors Management Report.

All in favor. Motion approved.

3. Committee Meeting Minutes

Chuck Hollowell, General Counsel and Secretary, reviewed various committee meeting minutes needing approval, including: (i) the minutes from the January 13, 2016 Executive Committee meeting, and (ii) the minutes from the June 13, 2017 Ad hoc Committee meeting.

A motion was made and seconded to approve the following committee meeting minutes as presented, consisting of: (i) the minutes from the January 13, 2016 Executive Committee meeting, and (ii) the minutes from the June 13, 2017 Ad hoc Committee meeting.

All in favor. Motion approved.

A motion was made and seconded to go into closed session pursuant to § 143-318.11 and § 122C-126.1 of the General Statutes to discuss competitive health care information.

All in favor. Motion approved.

4. CEO Report

The meeting returned to open session.

If and when Eastpointe Human Services formally approaches Cardinal for assistance in carrying out certain managed care functions due to their financial and operational distress, a motion was made and seconded to authorize the Company's management team to respond and assist Eastpointe with such managed care functions through one or more contractual arrangements, just as the Company has similarly helped other LME/MCOs.

All in favor. Motion approved.

A motion was made and seconded at 8:48 p.m. to recess and continue the meeting on Saturday, September 16, 2017.

All in favor. Motion approved.

Chairman Drake called the meeting to order on Saturday, September 16, 2017 at 9:06 a.m.

A motion was made and seconded to go into closed session pursuant to § 143-318.11(a)(3) of the General Statutes to discuss attorney-client privileged matters.

All in favor. Motion approved.

5. General Counsel Report

The meeting returned to open session.

A motion was made and seconded to authorize the Company's management team to file an administrative appeal regarding the CEO salary range recently announced by the Office of State Human Resources ("OSHR").

All in favor. Motion approved.

6. Chief Administrative Officer Report

Amy Kendall, Chief Administrative Officer, presented a communications and marketing update.

7. Finance Committee Report

- i. James Otterberg, Chief Financial Officer and Treasurer, reviewed the June 2017 financial statements.

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- ii. Mr. Otterberg reviewed the FY 2017 and 2018 Budget Amendments.

A motion was made and seconded, upon the recommendation of the Finance Committee, to approve the FY 2017 and 2018 budget amendments as presented.

All in favor. Motion approved.

- iii. Mr. Hollowell reviewed the Enterprise Risk Management Report.

8. Governance Committee Report

- i. John Moon, Chair, Governance Committee, reviewed the Board of Directors Plan of Work and Meeting Schedule for FY 2018.

A motion was made and seconded, upon the recommendation of the Governance Committee, to approve the Board of Directors Plan of Work and Meeting Schedule for FY 2018.

All in favor. Motion approved.

- ii. Mr. Moon provided an update on the FY 2018 Board of Directors Retreat.

A motion was made and seconded, upon the recommendation of the Governance Committee, to select Charlotte, North Carolina as the destination for the FY 2018 Board of Directors Retreat.

All in favor. Motion approved.

A motion was made and seconded to approve the September 2017 Resolution of the Board of Directors confirming the various actions the Board has taken to date in response to the State Audit Report.

All in favor. Motion approved.

- iii. Mr. Moon provided an update on director terms.

A motion was made and seconded to direct staff to bring back a proposal of how the Company might implement staggered terms for the Board of Directors.

All in favor. Motion approved.

- iv. Mr. Moon presented an update on the Financial Training Lunch and Learn.

A motion was made and seconded to go into closed session pursuant to § 143-318.11 and § 122C-126.1 of the General Statutes to discuss competitive healthcare matters and § 143-318.11 and § 122C-158 of the General Statutes to consider a personnel matter.

All in favor. Motion approved.

9. Compensation and Evaluation Committee Report

The meeting returned to open session.

A motion was made and seconded, upon the recommendation of the Compensation and Evaluation Committee, to approve the following: (i) the proposed CEO Goals for FY 2018 as presented, and (ii) an adjustment to cure the CEO's salary and bonus to the levels that were approved by the Board in June 2016, retroactive to July 1, 2017.

All in favor. Motion approved.

A motion was made and seconded to adjourn the meeting.

All in favor. Motion approved.

Meeting adjourned 12:26 p.m.



Callan Skinner, Clerk



Date