

The Minutes of the Meeting

STATE VETERANS AFFAIRS COMMISSION

July 18, 2017
10:00 A.M.

An official meeting of the State Veterans Affairs Commission convened on Tuesday, July 18, 2017 at the State Veterans Home in Black Mountain, NC. Attendance as noted:

Commission Members

Jimmy G. (Tony) Braswell, Chairman
Elree T. Smith, Vice-Chairman
Etteinne (E.T.) Mitchell (Absent)
William Shillito
Leonard (Mike) Scruggs
Carol Phelps
Terry T. Hales
Joseph (Joe) W. Adamczyk
Gregory R. Woodard
Rev. Lenwood V. Long, Sr. (Absent)
Michael Worley
John C. Boesch
Larry Townsend

Advisory Committee Members

Jeffrey D. Jones (Absent)
Marine Corps League
Jacob Roth, Commander (Absent)
American Ex-Prisoners of War
David Shore, Commander (Absent)
The American Legion
Buddy Waller (Absent)
AMVETS
Algernon B. Hill, Commander (Absent)
Disabled American Veterans
Doug Blevins, Commander (Absent)
Veterans of Foreign Wars
James Hicks
Military Order of the Purple Heart
Rossie M. Nance, Jr. (Absent)
Vietnam Veterans of America
Douglas Ehrhardt, President (Absent)
North Carolina Council of MOAA

Assistant Secretary for Veteran Affairs
Deputy Director, NC Division of Veteran Affairs
Facilities Manager
Contractor/Scholarship
Administrative Assistant
Administrative Assistant
Administrative Secretary

James (Jim) Prosser
Martin Falls
James (Jimmy) Woodard
E. Wayne Peedin
Diane Norris
Ken Castille
Angela Heilig

Guests

Allen Payne, Senior Vice Commander, NC Veterans of Foreign Wars

Chairman Tony Braswell called the meeting to order and thanked everyone for attending. Mr. Wayne Peedin gave the invocation and Commissioner Larry Townsend led the Pledge of Allegiance to the Flag. Chairman Tony Braswell welcomed everyone to the Commission meeting.

Chairman Braswell asked Assistant Secretary Prosser to conduct a roll-call of attendees to determine if a quorum is present. Assistant Secretary Prosser completed the roll-call and announced a quorum of the Veterans Affairs Commission was present.

Chairman Braswell asked for all Commission Members and Advisory Committee members to verify their contact information and inform Ken Castille if there are any changes. Additionally, Chairman Braswell referred to the minutes of the Veterans Affairs Commission meeting on April 18, 2017 and asked for a

motion to approve those minutes. Vice-Chairman Elree Smith made a motion to approve and seconded by Commissioner Gregory Woodard. A vote was taken and the motion was approved.

Chairman Braswell asked for a change to the approved agenda for today's meeting to add an opportunity for Board Comments. Commissioner Shillito made a motion to approve the agenda and add that item that was seconded by Commissioner Hales. The motion was approved.

Chairman Braswell called on Assistant Secretary Prosser to give a report on the Division of Veterans Affairs. Secretary Prosser thanked everyone for coming and what they are doing for our veterans across the state. He stated his report will be contained in the reports of members of the Department. Secretary Prosser wanted to pass on that DMVA Secretary Hall has recommended to the Governor that all Commission members be kept in place as it is right now until redistricting is straightened out and what will happen with the court case and redistricting. Searching the home addresses of Commissioners show multiple members residing in the same district or swapping districts. Those Commission members whose terms were up for reappointment this year will be left in place. The decision to keep Commissioners in place was a smart move for us and to keep the leadership of the Commission in place.

Secretary Prosser brought attention to the Department's budget issues and grants awarded by the General Assembly then encouraged all Commission members to reach out to their legislators for assistance in funding the needs of the Department. Chairman Braswell asked about scholarship funding and the Commission being unable to do Class II and III Room and Board out of Appropriations. Secretary Prosser said that is correct and would be discussed later but stated that he was working with Secretary Hall to go back and do an administrative adjustment and if unable to get that the Division would be forced to raise the tuition reimbursement for private schools which has not been done since the late 1980s and not a bad thing. Mr. Prosser stated the legislators have left that amount low to encourage students to attend state schools.

Chairman Braswell asked about cemeteries and debate over whether the Veterans Affairs Commission has jurisdiction over cemeteries. Secretary Prosser reminded the Commission that they have power to advise the Secretary on all matters related to State Veterans cemeteries as compared to jurisdiction over State Veterans Nursing Homes where the Commission has a definite role of authority and control.

Commissioner Hales asked about the Trust Fund for the State nursing homes and where that came from. Mr. Jimmy Woodard responded that he wrote the general statute to establish a trust fund where any federal, state or other money that came in would go into an interest-bearing trust fund. The statute passed easily since the program was receipt-based from the beginning. The trust fund has built up and is currently at about \$51M now with about another \$1M-\$2M due to come in. There is \$27M put aside for two new nursing homes which would be a 65% federal/35% state share. If a home was shut down, NCDVA would owe \$7M to the management company and some money is set aside in case we aren't paid for a few months which is about \$7M-\$8M. Another \$5M is being upfronted to renovate one of the nursing homes. So with the Trust Fund at \$51M, this is not much.

Chairman Braswell stated that we need to have money set aside in case we aren't paid by Medicare/Medicaid but we specifically put the \$27M aside for the two new homes that was not to be touched. Mr. Jimmy Woodard got Fiscal to sign off on setting aside this money and the \$27M is part of the grant requirement that was sent to Washington, DC to request nursing homes between Raleigh & Durham and another one between Greensboro and Winston Salem.

Commissioner Shillito asked if there was an initial donation that started the Trust Fund. Mr. Jimmy Woodward responded that in the beginning, members of the Division of Veterans Affairs went out to ask for donations from various organizations like the American Legion, DAV and others. Another way was from a brochure that was produced that offered to put donor's names on the facility if money was donated. As Mr. Jimmy Woodard could recall, the initial amount collected was \$7,500 would be used for

an Activity Room but ended up collecting about \$250,000 when we opened the doors. Mr. Jimmy Woodard went on to explain that the General Assembly gave about a half-million dollars and came back another time and gave about a half-million dollars but when we looked at the statute, the General Assembly wanted to take these funds out of the Trust Fund so money wasn't really given to us. Mr. Jimmy Woodard stated we got about a half-million dollars operational since we opened the doors.

Commissioner Townsend asked how many veterans were in the General Assembly. Assistant Secretary Prosser said a list was done last year and there weren't that many. Commissioner Townsend asked if it would be proper to get a listing of those and what committees they serve on. Secretary Prosser said we could try and get that. He further mentioned that the Veterans Caucus has not been meeting the last three years and Rep. Grier Martin talked about getting that re-started to address veteran's issues so he was compiling that information. Commissioner Woodard asked if that information could be shared when it is received.

As a follow-up, Commissioner Townsend commented on the information in the DMVA Resource Guide that gave the numbers of veterans in the state and the fact that NC is promoting that we are a veteran-friendly state. Commissioner Townsend asked how budget cuts to the cemetery are seen by veterans realizing those interested are those who are older but the younger veterans who are not looking at this presently specifically, how do these budget cuts play to the veteran organizations when the State wants to be veteran-friendly but the General Assembly doesn't support some programs for veterans.

Secretary Prosser answered by saying the Division of Veterans Affairs hasn't used the Veterans Affairs Commission as we should have nor have we used the service organizations like the American Legion and Veterans of Foreign Wars, Disabled American Veterans or Military Order of the Purple Heart but over the past year, our Department has reached out and visited them to become more visible and to let them know what the issues are. These organizations have been asked to contact their Legislators to help get the money needed, especially for the cemeteries.

Secretary Prosser pointed out the new DMVA Resource Guides that are available and could be taken back to the districts for distribution. He mentioned the new section for Entrepreneurship to help veterans with starting their own businesses. Governor Cooper's goal is to double the number of veteran entrepreneurs in the next year in the State. While North Carolina is a military-friendly state, we want the State to be veteran-friendly as well.

Vice-Chairman Smith added that North Carolina was the most military-friendly state was started by former Governor Bev Perdue and at that time, the State had 793,000 veterans and less than 300,000 active military and dependents. He stated the majority of active duty military and dependents don't vote in North Carolina but 100% of the 793,000 veterans ability to vote and have the power to influence the outcome of any political campaign.

Secretary Prosser announced changes to the Department of Military and Veteran Affairs where Mr. Joseph Kelly has been re-appointed as Assistant Secretary for Military Affairs in place of Mr. Jason Cain. Mr. Joe Kelly has worked with our new Budget Officer, Amy Bowman, to find about \$800,000 that thought to be not needed and was going to be turned in. We were able to spend money on new equipment for the cemeteries, new tractors, office furniture, etc. but the money couldn't be used for salaries or funding positions. This money had to be used for equipment and furniture. Secretary Prosser recalled going into one of our Service Office and seeing old, donated furniture, that didn't send a positive message to veterans and families coming in for service so we were able purchased furniture for our waiting rooms.

Commissioner Shillito mentioned at one time we didn't have an HR department that supported us or a financial department that supported us and when we asked for legal advice, we had nobody and asked if that had changed. Secretary Prosser answered that the department now has a General Counsel, our own budget department. Amy Bowman is our Business Officer and is really, really good. She has gone back

and found where, every year for the last 5 years, DOA has given back at least \$500K to over a million dollars of our money every year. They didn't use it for Veterans Affairs and found other uses within the department. She and Mr. Joe Kelly were able to identify the money that was earmarked to be given back this year. This budget that we have is our first attempt to having our own budget. Previously, DOA had developed the budget for us and paid bills from whatever money was available at the time. Secretary Prosser further stated we don't have an HR department but have our own person assigned to us from HR. HR so we're still working with that. We've looked at all our positions. We lost one Veterans Service Technician from this budget cycle and had to give up some things to gain some things. We needed those positions for the department as a whole and fulfill our requirements of the legislature on what our department will do on the Military and Veterans side so we're looking good on that. With budget cuts to the State Attorney General's office, our DMVA attorney will be doing more things and very busy. She works directly for Secretary Hall and will be able to give us advice and counsel as we need. She has been reviewing all our MOUs and contracts. We also have a new Communications Director who has taken over responsibility for the DMVA Resource Guide and will work the legislative contacts; setting up appointments with legislators. Tomorrow, the Governor will be at Seymour Johnson AFB and we have a meeting at 3 o'clock with the Veterans Council and Patriot Council in Goldsboro. The Governor was to be there but now he is not.

Commissioner Boesch asked for a list of those friends and others that goes down to the counties so we can begin to talk to them about changing or modifying their positions as well as a list of talking points that would help over the long haul. Secretary Prosser said we will get those out. As another part, Commissioner Boesch asked if we know if any influence could be applied by our federal Senators and Representatives since a number of them are veteran-friendly. Secretary Prosser said we work with Sen. Tillis' and Burr's office a lot and they've helped us on some of the federal funding but we could use them more since Sen. Tillis came from the State Legislature.

Secretary Prosser concluded his report.

Chairman Braswell asked if the Veterans Affairs Commission could do anything to assist with the cemeteries. He said it goes back to the veteran groups and appreciate those that attend the meetings from the Advisory Committee. We need to find a way to get more here since they are the organizations that are the "boots on the ground" than what we are. Assistant Chairman Smith said this has been a disappointment over the last 18 months that leaders of the veteran groups don't attend nor invite the VAC Chairman to attend the State Veterans Council meetings. Commissioner Shillito volunteered to initiate a call-tree to remind of the Commission meetings if needed. Chairman Braswell said there was a time where 9-10 advisory members attending so we need to get out to their meetings and extend the invitations.

Commissioner Townsend commented about the money Fayetteville says they will lose but they don't show how much they're gaining by veterans choosing to settle in their area. He said the national VA report shows the money coming into each county and there is a lot of money. Chairman Braswell said there is a trade-off of pension and compensation received in each county compared to money cut from budgets.

Mr. Peedin stated that one of the things we as an agency operate through and one of the things the General Assembly listens to is the Fiscal Research Division of the General Assembly. They do research when the General Assembly needs information about a veteran bills or veterans cemeteries, they go to Fiscal Research and say "we have interest DMVA needs to increase their staffing, show us why it needs to be increased". As that point, Fiscal Research comes to the agency and usually through the communications liaison who goes to the expert opinion (cemeteries, nursing home, scholarships, etc.) and try to get the information. After the information is given and explanation, Fiscal Research makes their decision and gives the General Assembly member their recommendation. The General Assembly listens to the recommendation of Fiscal Research and not the DMVA experts. Commissioner Shillito asked if

the cemetery funding had been through that process and if we had access to the Fiscal Research information. Mr. Peedin said yes, our recommendations were given but we don't have access to the final recommendation to the General Assembly. This is the process and we don't know the legislator that asks for the information, the decision-making process and we don't know what information was given.

Chairman Braswell called on Deputy Director Falls for his report.

Deputy Director Falls announced new hires in the Department. Mr. Joseph Kelly has been hired as the Deputy Secretary of Military Affairs. New hires were a Training Officer in Eastern NC, a VST in Hickory, VSO in Fayetteville, VSO in the State Service Office as well as part-time Family Programs Coordinator in Raleigh and a part-time VSO in Elizabeth City. Mr. Falls also announced current position vacancies: Region I Manager, Admin Officer II (vice Jeff Smith who left for DHHS), VSO in the State Service Office, VSO in Wilmington, Grounds Worker in Jacksonville, Maintenance Mechanic II in Black Mountain. Deputy Director Falls also stated that there is no reserve salary for employee raises nor is there money available to pay for new hires. However, the State General Assembly did authorize a \$1,000 annual pay increase for State employees.

Deputy Director Falls reported that numerous training events have taken place over the last three months. Currently, there are 32 State/County employees in training with 9 in State DVA and 23 in the Counties. NCDVA has accredited 10 State VSOs at the County Conference held in Greensboro in April with further accreditation of State employees to be done at the State/County Annual Conference in October 2017. We expect to tentatively test 17 employees pending recommendations from VSC Managers and Training Officers with approval from the Director, DVA.

Deputy Director Falls said that there are 33 NCDVA VSOs (29 in the VSCs and 4 in the State nursing homes), 16 NCDVA VSTs and 171 County/Native American Tribe VSOs but this number is constantly changing.

NCDVA conducted District Schools in each of the four Regions in May that were well-attended and gave good training to award continuing education credits to State and County VSOs/VSTs. There were eight different schools held with over 200 attendees with visitors from NC Workforce, American Legion, Disabled American Veterans, VA Staff and volunteer veterans groups with a focus on Camp Lejeune Contaminated Water claims and Appeals.

With the popularity and success of the District Schools in May, more classes were scheduled for August in Asheville, Advance, Benson and Whiteville. These schools will award attendees with six CEUs.

At the Fall Conference, more training will be held for State and County attendees with 16 hours of CEUs awarded for three full days of training classes.

Deputy Director Falls gave a Regional Report of events that took place throughout the State. In Region I, there was a Veterans Stand Down in Hickory and a Vietnam Commemorative Ceremony in Hickory. In Region II, there was the Field of Honor in Kernersville. Region III hosted a Veterans Stand Down in Wilmington, a VBAC in Durham and a Job Fair at Ft. Bragg. Martin County held a Veterans Appreciation in Region IV with over 150 participants. Commissioner Woodard expressed his appreciation to NCDVA for attending the Field of Honor event. Director Falls mentioned that NCDVA has purchased table skirts, tents with tables and chairs for each of the State VSCs that will visibly identify our department and personnel at events.

NCDVA was busy with attendance and speaking engagements at a WWI Wreath Laying Ceremony, numerous NC Strive events, VFW State Conference, American Legion State Conference, MOPH Conference, Veterans Park dedication in Charlotte as well as presenting numerous scholarships to high

school graduates at Awards Night ceremonies. Thanks to Carol Phelps and Bill Shillito for their assistance in presenting scholarship awards in their area.

Ms. Deborah Coley, an employee of NCDVA in Winston Salem, was awarded the Caswell Award by the Governor for over 45 years of State service in a ceremony in Raleigh.

Deputy Director Falls also mentioned that a Veterans Support Specialist class was started in June that is in its third year. Initially with a grant from Glaxo Smith Kline and coordination with Duke University, VSS training was started. After the grant ended, NC DHHS picked up the funding and there have been very positive and enthusiastic comments from attendees. The classes teach how to be better Service Officers and how to take care of themselves, mentally and physically. With completion expected in August, over 32 participants are meeting in classroom and webinar sessions.

The report from the State Service Office in Winston Salem was given by Director Falls and from April to June 2017, there were 39 compensation claims and 23 powers-of-attorney. In appeals, from April to June, there were 97 scheduled appeals with 70 conducted (14 in resident and 56 through travel and video). Appeals are getting better and as can be seen, most are done through travel and video. With personal counseling and coaching of the veteran and his Service Officer, there are more wins for appeals. Secretary Prosser added that further explanation of the process is explained to the veteran and it gives our office a better idea of the case being presented.

Deputy Director Falls highlighted that NCDVA is busy and no time to rest on laurels because other events are on the horizon. Veteran events in Charlotte and Cary with 5-9 VSOs in attendance to see 400-700 veterans coming in to file claims, ask about appeals and get counseling.

Deputy Director Falls announced that the new Scholarship system will be coming on line. Ms. Angela Heilig said with the new system coming on line replacing the old system from 2000, we hope to test in August and live in October. She explained that all applications will be done online, no paper, and their responsibility to get all documents in to the system. She understands that in the beginning it will be difficult and expects to get many telephone calls to get assistance. Ms. Heilig said this is the third time we have attempted a new online scholarship application program so there is hope it will be effective. She stated that using the old system, she is copy/pasting letters to applicants which is difficult and time-consuming. She also hopes that the website will get the information out so more will apply. She said she's getting many calls for scholarship applications for students starting school in August but the deadline has already passed so these applications will be forced to wait until next year. Secretary Prosser mentioned that we have taken posters out to all the schools and given to guidance counselors to get more applicants.

Secretary Prosser added that under legislative issues, the changes made to the scholarship program used the DoD definition of dependents instead of the VA definition regarding which step-children and adopted children. DoD identifies a dependent where eligibility ends at 23 years of age where the VA defines a dependent losing benefits at age 25. Now, we'll have some dependents eligible at 23 and some at 25. We've asked our general counsel to go back to the Legislature to try to get a reading on their intent. It could have been an oversight or maybe 25 is too old. NCDVA thought the change had passed but it is still sitting in committee.

Commissioner Hales asked Deputy Director Falls about the NCDVA VSOs meeting with the various guidance counselors in schools to make sure they understand the scholarship program and how it works. Secretary Prosser stated that County VSOs go out and Mr. Falls said NCDVA VSOs will go out if needed. Commissioner Hales wanted to make sure we are educating the counselors but if we're doing all we can do to cause that to happen, there's nothing more we can do. Secretary Prosser admitted if Counties tell us they're going to do it we're not going back and checking.

Commissioner Worley stated the mitigation to that is he personally reached out for points of contact in his district for those VSOs and those counselors in the schools because he didn't know the specific even with the American Legion or VFW. He asked if there was a list of VSOs and counselors. Secretary Prosser pointed out the DMVA Resource Guide shows the county offices but we could get a sheet showing what counties are in each district. Additionally, the county school boards would have information of schools and guidance counselor contacts.

Chairman Braswell called a break at 11:35am. The Commission reconvened at 11:50am.

Chairman Braswell thanked Deputy Director Falls for his report and asked if there any questions. Assistant Chairman Smith asked a question on behalf of the State Director of the Veterans of Foreign Wars. His question was to inquire on the process for the Veterans of Foreign Wars Service Officer to be accredited by the Division of Veterans Affairs. Secretary Prosser stated that we would be very interested in talking to them about accrediting the VFW Service Officer if the State VFW would allow reciprocal accreditation by our NCDVA Veterans Service Officers which they have been unwilling to do over the past few years. Secretary Prosser said the State VFW should talk to him about this accreditation.

Secretary Prosser wanted to make a point that he neglected to mention during his report. He stated that the Legislature has separated the Military Affairs Commission from the Department of Military and Veterans Affairs and given them their own autonomy and funds. Secretary Prosser said that will affect them after losing support and administrative help from our department. Commissioner Shillito asked the Military Affairs Commission had any reporting responsibilities to the Secretary of DMVA to which Secretary Prosser replied they do not and are separate. Secretary Prosser said that the Secretary DMVA once had responsibility for their budget but not any longer.

Chairman Braswell called on Mr. Jimmy Woodard to give a report on the State Veterans Homes and Cemeteries. Before the report, Chairman Braswell wanted to pass along that residents of the nursing home on the front porch earlier this morning commented that when individuals arrive in a wheelchair, they struggle to get through the front door and the building needs an automatic door opener.

Mr. Jimmy Woodard commented that issue has been addressed and would require an air lock outside and the front porch would need to be enclosed. The design would need to require a push-button operation to open the doors and would have to account for the outside environment with open doors. He said he would look into this further.

Mr. Woodard began his report with the Sandhills Cemetery in Fayetteville. He said an expansion grant has been submitted to increase the burial plots there since there are only 279 burial sites available at present. We feel confident we'll get this and we should hear in October if approved. The grant will require us to present 10% upfront in the amount of \$547,650.00 and will need to come out of Receipts that we would get back over time but money will need to be spent for hiring a designer, start surveying and get the process moving now. The scope of work is to include:

- Increase graves, urn plots, columbarium units, crypts
- Landscaping (irrigation, sod, topsoil, etc.)
- New loop driveway
- New maintenance building – moved to back of the lot
- Utility services
- Parking
- Fuel tanks
- Sidewalks
- Kiosk and upgrades to building
- Entry feature/gates

Mr. Woodard showed a drawing with a summary of proposed work and existing features that was submitted for the grant request. Mr. Woodard stated it would be a year or year and a quarter before the cemetery ran out of space.

For the Western Carolina Veterans Cemetery, Mr. Woodard said an expansion grant has been submitted with a 10% upfront cost of \$277,432.19. At present, there are 489 cremation burial sites available but right now, the rate of cremation burials has changed from when the cemetery program began. Mr. Woodard said we are performing 45% cremation burials which used to be 18% and attributed the increase to costs of burials. Mr. Woodard also gave the scope of work proposed but was unsure if that grant would be given in October but could be next year.

- Excavation of the roadway
- Storm drainage system
- Urn plots, columbarium units and walkways, crypts
- Clearing and grubbing
- ABC stone
- Asphalt paving
- Culvert pipe
- Committal shelter
- Sidewalks and misc. concrete
- Kiosk and upgrades to building
- Landscaping, sodding/seeding and mulch

Mr. Woodard also mentioned that an Operation and Maintenance Grant was submitted for the Western Carolina Cemetery with 10% at \$68,2631.91 that was to raise/realign headstone markers, obtain a grid beam system for headstones and clean headstone markers. He said this grant may not come for several years.

As point of interest, Mr. Woodard gave the current receipts for the NC State Veterans Cemetery Program at \$1,376,856.34. With that, salaries coming out of this is about \$430,000. With the Goldsboro Cemetery, add another \$225,000 out of receipts with close to \$700,000 just for salaries alone not including operations. Mr. Woodard presented a spreadsheet showing the number of burials and funds received for burials for the past 12 months. Mr. Woodard further stated that with current staffing, we cannot continue to bury 2-3 people a day and maintain the cemeteries like they should be. He has obtained bids from private companies to take care of chemical spraying, fertilization, etc. of grounds that will help a little bit to improve the cemetery's looks but will still be responsible for mowing, edging, etc. which is takes so much time. Mr. Woodard said they've received some complaints by implementing policy but explain they're just following National cemetery guidelines on what they're inspected on.

Mr. Woodard reported on the State Nursing Homes and began with Fayetteville with a census of 141 residents. The Fayetteville Nursing Home has been awarded R&R funding to replace the HVAC system to cost approximately \$2,101,453.00 and is currently in the design phase.

In Salisbury, the State Veterans Home has a census of 98 residents with R&R funding awarded to replace the elevator at a cost of approximately \$450,910.00 and is in the design phase. He stated we just received a second bid for the renovation project of Salisbury and we received four bids. The construction came in at \$3,850,000 about \$825,000 above what we thought. We've been trying to get this through the last two years and the designers have said the cost of construction as increase in the past year. In Trust Fund funding, Mr. Woodard reminded the Commission that they approved \$2,000,000 for sprinkler renovation in Kinston and since R&R funding in the amount of \$299,400 was approved by the State for that project, he asked that the Commission re-allocate \$1.5 million to renovate the Salisbury Renovation and Addition project where the State funding request has not been awarded.

For the Salisbury generator project, the expected cost of approximately \$1,346,000. The contract has been received and has been set up for a pre-construction meeting with an expected start in November.

In Black Mountain, the current census is 99 residents and we are in the process of starting the security project at a cost of approximately \$612,950,000.

At the Kinston Veterans Nursing Home, the census is currently 90 residents. There is a lot going on there with R&R funding for 2017 awarded to replace the building sprinkler system (\$299,440.00), replace the sewer system (\$600,451.00) and repair the roof (\$600,415.00). During repair of the sprinkler system, a 24x7 fire watch at a substantial cost. The sewer replacement is in the design phase and received a preliminary estimate. The roof was inspected and we hope to spend only about \$300-400K but \$600K proposed. Renovations are complete with Bldg. A, 95% complete with Bldg. B and getting ready to start Bldg. C. It takes about three months to get the work done, inspected and certified for occupancy.

Commissioner Woodard asked for an explanation of the scope of the sewer replacement. Mr. Woodard replied they reworked the piping to get the bends out of it and spent over \$300K pumping out the lift station. Now, that isn't needed since they're catching a good portion of solid material sent down the line. Now, we're pumping out once every three months instead of 2-3 times a week. We're still trying to get them to look and see if we can design it better. One of the things that can be done is to put in a grinding pump and we've received an estimate of \$100K for one to be put where the sewer exits the building before it gets to the lift station. The piping system is still 2-3" diameter pipe going to the road but is 70% better with the lift station not pumping as frequently. Commissioner Woodard stated and Mr. Woodard acknowledged the piping should be 4" diameter.

Mr. Woodard updated on the security projects in Kinston saying the equipment for the cameras and wander guard system were being put in the telephone switching room but there was a lot of heat being generated from the equipment so we're looking for some auxiliary cooling system for the room. Things have happened and almost fired the general contractor. He came back but was given 21 days to finish up the security system and given an additional 41 days to put in an air conditioning system. Mr. Woodard said he contacted a private company to go and look at the HVAC system for an estimate

Mr. Woodard also stated that he has a geothermal problem with Black Mountain and Kinston. An email was received the company that put in the chill system that came in to make some adjustments after chill water coming into one building was 117 degrees and units were shutting off. Even after adjustments the flow was improved but by afternoon, the units started shutting off. They suggested a larger chiller system or put in some auxiliary chilling system to cool the water. Mr. Woodard contacted a design firm to look at the system at no cost to see what is wrong and what can be done to fix it.

Commissioner Shillito asked about the authority to increase rates given by the Commission two meetings ago and if they have been implemented. Mr. Woodard said the rates were increased a little but having some issues that need to be addressed with Pruitt Health and will be discussed at the quarterly meeting. Pruitt Health implemented a step increase.

Mr. Woodard asked Commissioner Woodard to look for property around the VA clinics in Forsyth County and Guilford County. Commissioner Woodard gave the attendees copies of maps that showed areas and price ranges for property that is available. Commissioner Woodard said that in Guilford County, the areas start at \$50,000/acre to \$75,000/acre and in Forsyth County the areas shown start at \$80,000/acre to \$350,000/acre near the VA. He further stated that prices are going up and they counties are no longer building single-family housing in these areas, only apartments and condominiums. Commissioner Woodard urged the Commission to move forward if we're looking to purchase land for another State Veterans Nursing Home in the Guilford County/Forsyth County area. The area around Kernersville, NC is growing and prices are going up. Mr. Woodard said we don't expect to see anything in the next three years but would like to see the Commission acquire the land for a future nursing home.

Previous acquisition was complicated with the recession and when authorization was given, quick actions needed to be done through the Department of Administration. Mr. Woodard said our current grant requests to the VA are submitted but will take a while. He then mentioned that when the VA approves a grant, they expect that 35-40% of drawings are done so there's not much time once the grant is received. Mr. Woodard said he has asked State Property to see if there is any State property in the area that isn't being used but mentioned the State has gotten rid of quite a few properties. Mr. Woodard said he would have asked for the property in Raleigh at the former Dorthea Dix Hospital but that property was sold to the City of Raleigh.

Chairman Braswell asked if there were any more questions and with none, the Commission meeting broke for lunch at 12:30pm.

At 12:50pm, the Chairman Braswell reconvened the Commission meeting.

Commissioner Adamczyk asked about contractor performance and the installed sprinkler system and the statute of limitations to seek relief from companies that did not perform up to the level of the contract. Mr. Woodard said that while they worked from the designs, some of the contractors with problems are not based in North Carolina. Mr. Woodard said he has approached State Construction and they contacted and sent pictures to an attorney but was told that while money could be recovered, it would be a long time and after legal fees, not much money would be received.

Commissioner Woodard made a motion to grant Mr. Woodard's request to reallocate \$1,500,000 that was previously approved for the Kinston facility to the Salisbury facility for renovations. The motion was seconded by Commissioner Hales. Chairman Braswell called for any discussion and after no discussion, a vote was taken. All Commission members approved the motion and the motion carried.

Chairman Braswell asked for Assistant Chairman Smith to give a presentation on the Friends of the State Veterans Homes. He also asked for any members who would like to serve on the committee. Assistant Chairman Smith said the Friends of the State Veterans Homes is a non-profit organization formed without limitations to provide funding to the State Veterans Homes for things the State Trust Fund does not provide and avoid the time needed to go through the State Trust Fund. He said the committee receives funds and private donations to pay for supplies, social events and other areas not supported by the State Trust Fund. Assistant Chairman Smith asked for at least two people to serve on the committee and while the committee does not pay per diem or travel expenses, meetings are to be held in Raleigh two to three times a year.

Commissioner Hales asked if organizations in the local areas around the State Nursing Homes are aware of the needs of the residents. Assistant Chairman Smith said that occurs but sometimes the monetary needs are higher than what can be acquired from the local community, the committee provides for the needs of the residents. Commissioner Hales asked if there are local organizations that assist. Mr. Jimmy Woodard said there to some extent such as local veterans organizations that come in to assist with events.

Mr. Jimmy Woodard asked if a motion was needed to pursue looking at property previously discussed for a future State veterans home. Chairman Braswell said no motion was needed and Mr. Woodard should look at the opportunity to acquire property.

Chairman Braswell addressed the upcoming NCDVA Fall Conference that will be held Oct. 23-27, 2017 at the DoubleTree Hotel in Atlantic Beach, NC. He affirmed that the conference banquet will held on Thursday evening, October 26th and the Commission will the quarterly meeting on Friday morning, October 27th at 9:00am. Commissioner Braswell said this is an excellent opportunity to meet the State service officers from around the State. Secretary Prosser mentioned that the conference will be a joint conference of County service officers and State service officers.

Chairman Braswell called for a conference call of the Commission to be held on September 12, 2017 at 6:00pm.

Chairman Braswell called for a motion for a closed session pursuant to G.S. 143-31b-11.1 to present information that is privileged and confidential. Commissioner Woodard made the motion for the Commission to enter a closed session and was seconded by Commissioner Hales. A vote was taken and all approved. At this time, Mr. James Hicks and Mr. Allen Payne departed the meeting. The Commission entered into a closed session at 1:10pm.

A motion was made by Commissioner Townsend to exit the closed session and was seconded by Commissioner Worley. Chairman Braswell called for a vote and all approved.

The Commission heard discussion about the current rules and regulations that exist for scholarship awardees. A motion was made by Commissioner Shillito and seconded by Commissioner Townsend to revoke the scholarship of the awardee discussed during the closed session. Chairman Braswell called for a vote. All members approved the revocation with none opposed.

Additional discussion was held regarding application procedures and deadlines since two applications needed to submit more information and were received after the deadline. Assistant Chairman Smith made a motion to amend the rule that applications received after August 1st be withdrawn for these two applications. The motion was seconded by Commissioner Townsend. Chairman Braswell called for a vote. The motion carried by unanimous vote.

Commissioner Shillito asked to clarify the Class I scholarship academic standards. After discussion, Commissioner Shillito asked the staff to consult with the NCDVA General Counsel to get a reading on the GPA requirement to revoke Class I scholarships. Secretary Prosser, Ms. Heilig and Mr. Peedin will consult with the General Counsel and report back to the Commission on the next meeting.

Chairman Braswell called on Commission members to give individual and personal comments.

After comments were received, Chairman Braswell called for a motion to adjourn. The motion was made by Commissioner Hale and seconded by Commissioner Woodard. The motion passed and the meeting was adjourned at 1:55pm.