

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: April 4, 2005

SUBJECT: Resolution Concerning the Dissolution of Trend Mental Health Authority

ATTACHMENTS: Resolution

SUMMARY OF REQUEST:

As part of the State's reform of the mental health system, North Carolina General Statutes require that each county formally dissolve their local mental health authority. The time has come for the Trend Mental Health Authority to be formally dissolved. As the Board is well aware, the Western Highlands Network Board of Directors has been serving as the Trend Board of Directors for more than a year. Therefore, this action is merely a formality required by State law.

COUNTY MANAGER'S RECOMMENDATION/ACTION REQUIRED:

County staff recommends that the attached resolution be adopted as presented.

RESOLUTION # _____

RESOLUTION CONCERNING THE DISSOLUTION OF THE TREND AREA MENTAL HEALTH,
DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE AUTHORITY,
WHICH HAS BEEN SUPERSEDED BY THE WESTERN HIGHLANDS AREA AUTHORITY

WHEREAS, on _____, 200__, the Board of Commissioners for the County of Henderson ("Board") adopted a resolution (that is, Resolution # _____) with respect to the Western Highlands Area Authority, which is a multi-county area authority for the management of mental health, developmental disabilities and substance abuse services ("Services") to citizens of this and seven other counties; and

WHEREAS, since the Western Highlands Area Authority has become functional and operational in Henderson County and the seven other counties and has demonstrated that continuity of the Services will be assured, and since Trend Mental Health, Developmental Disabilities and Substance Abuse Authority ("Trend") is not operating in the best interests of consumers because it is no longer actively providing for the management of any of the Services to the citizens of this county, it is appropriate that Trend now be dissolved; and

WHEREAS, Subsection 122C-115.3(a) of the General Statutes of North Carolina provides in part that, "[w]henver the board of commissioners of each county constituting an area authority [that is, Trend] determines that the area authority is not operating in the best interests of consumers, it may direct that the area authority be dissolved. . . . Dissolution of an area authority . . . shall be effective only at the end of the fiscal year in which the action of dissolution . . . transpired"; and

WHEREAS, Subsection 122C-115.3(e) of the General Statutes of North Carolina provides in part that "[a]ny budgetary surplus available to an area authority [that is, Trend] at the time of its dissolution shall be distributed to those counties comprising the area authority on the same pro rata basis that the counties appropriated and contributed funds to the area authority's budget during the current fiscal year"; and

WHEREAS, Subsection 122C-115.3(g) of the General Statutes of North Carolina provides that "[a]ny liabilities at the time of [Trend's] dissolution shall be paid from unobligated surplus funds available to the area authority. If unobligated surplus funds are not sufficient to satisfy the total indebtedness of the area authority, then the remaining unsatisfied indebtedness shall be apportioned on the same pro rata basis that the counties [that is, 86.5% for Henderson County and 13.5% for Transylvania County] appropriated and contributed funds to the area authority's budget during the current fiscal year."

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. Pursuant to Subsection 122C-115.3(a) of the General Statutes of North Carolina, the Board hereby directs that Trend be dissolved.
2. As of the effective date of the dissolution, the remaining budgetary surplus ("Surplus") of Trend shall be delivered in trust to Western Highlands Area Authority for the sole purpose of paying any valid remaining liabilities and related costs and expenses of Trend. This Surplus shall be held by Western Highlands Area Authority in a restricted fund balance for such sole purpose, provided that Western Highlands Area Authority shall make a written accounting to the Board on an annual basis, and provided further that the remaining balance, if any, of the Surplus shall be paid to the counties on the pro rata basis (as referred to above) within thirty-days after December 31, 2007.
3. If unobligated surplus funds are not sufficient to satisfy the total indebtedness of Trend, Henderson County shall pay its pro rata share (as referred to above) in a timely manner in order to prevent the incurrence of any interest or penalty with respect to Trend or Western Highlands Area Authority.
4. This resolution shall be effective upon its adoption.

ADOPTED this the ____ of _____, 2005.

ATTESTED BY:

BOARD OF COMMISSIONERS FOR THE
COUNTY OF HENDERSON

Title:_____

Title:_____

APPROVED AS TO FORM BY:

Title:_____