

WASHOE COUNTY DISTRICT BOARD OF HEALTH
SPECIAL BUDGET MEETING – FISCAL YEAR 2010/2011
March 4, 2010

BOARD MEMBERS PRESENT: Denis Humphreys, OD, Chairman; Mr. Matt Smith, Vice Chairman; George Furman, MD; Commissioner Kitty Jung; Amy Khan, MD; Councilwoman Julia Ratti (arrived at 1:40 pm)

ABSENT: None

STAFF: Dr. Mary Anderson, District Health Officer; Eileen Coulombe, Administrative Health Services Officer; Bob Sack, Director, Environmental Health Services; Andrew Goodrich, Director, Director, Air Quality Management; Dr. Randall Todd, Director, Epidemiology and Public Health Preparedness; Mary-Ann Brown, Director, Community and Clinical Health Services; Patsy Buxton, Fiscal Compliance Officer; Lori Cooke, Fiscal Compliance Officer; Stacey Akurosawa, Administrative Assistant II; Scott Monsen, Vector-Borne Diseases Program Coordinator; Steve Fisher, Department Computer Application Specialist; Tracie Douglas, Public Information Officer; Janet Smith, Recording Secretary; and Leslie Admirand, Deputy District Attorney

At 1:00pm. Chairman Humphreys called the Washoe County District Board of Health Special Budget Meeting to order, followed by the Pledge of Allegiance, led by Mr. Bob Sack, Director, Environmental Health Services.

ROLL CALL

Roll call was taken and a full Board noted.

PUBLIC COMMENT

No public comment was presented.

APPROVAL/REVISIONS – AGENDA – MARCH 4, 2010

Chairman Humphreys called for any revisions to the agenda of the Washoe County District Board of Health special budget meeting of March 2010.

MOTION: Dr. Khan moved, seconded by Mr. Gustin, that the agenda of the Washoe County District Board of Health special budget meeting of March 4, 2010, be approved.

Motion carried unanimously.

PRESENTATION – APPROVAL/AMENDMENT – FISCAL YEAR 11 – WASHOE COUNTY HEALTH DISTRICT BUDGET

Chairman Humphreys stated that during the few years "everyone has seen the economic effects and budgetary concerns all public entities are experiencing, including the State, the Cities, the County"; that "the Health District has not been immune to these concerns that have been presented in regard to the budgetary situation." Chairman Humphreys stated that "in reflecting over the past couple of years, he would commend Staff and the Board of Health members for the pro-active planning and strategic issues and the changes which have been achieved in staffing and programs." Chairman Humphreys stated that some of the necessary changes "were not real pleasant; that some changes were not real easy; however, the changes were obviously necessary"; therefore, "once again his appreciation 'goes out' to Staff and the Board of Health members."

Dr. Mary Anderson, District Health Officer, stated she would commend the efforts of the District Health Fiscal team; and the tremendous accomplishment of Ms. Buxton, Ms. Cooke and Ms. Akurosawa in delivering the "budget books a week in advance."

Dr. Anderson stated that the Board members have been provided with an 'overview handout' (a copy of which was placed on file for the record). Dr. Anderson reviewed the public health challenges being experienced throughout the County, the State and nationwide are: 1) an increased demand for public services; 2) a decreased ability to provide services; that nationwide public health authorities have experienced a "huge decrement in personnel and programs, which is delineated in the National Association of County and City Health Officials (NACCHO) Report she provided last year". Dr. Anderson continued with the remaining challenges for public health: 3) an increased instability of public health grants which fund public health; that "an example is the *Fund for a Healthy Nevada* and all funds dedicated to tobacco-related programs have been "swept by the State during the most recent Legislative Session." Dr. Anderson advised that "\$193,000 from

the *Fund for a Healthy Nevada* had been awarded to the Health District"; however, the Health District will not be receiving these funds, thus having a decremental effect to the District's "ability to do things that are important (i.e., Tobacco Cessation Program)." Dr. Anderson advised that the last public health challenge listed is: 4) nationwide outbreaks have local effects, including H1N1; that what will occur with H1N1 in the next few months is unknown. Dr. Anderson stated that further, it is unknown if H1N1 will reemerge next season; that the expense of addressing this last season's outbreak "was aided by the receipt of federal funds; however, there remain effects to the local budget "whenever there is an event of that size." Dr. Anderson stated that due to a decline in national vaccination rates there has been an increase in outbreaks of mumps, measles and a local incidence of chickenpox."

Dr. Anderson stated that for the Air Quality Management Division there is concern regarding the pending proposed revisions to the US Environmental Protection Agency (EPA) National Ambient Air Quality Standards (NAAQS), resulting in more stringent air quality requirements. Dr. Anderson stated that "more stringent standards requires more enforcement efforts; that these efforts become more expensive and requires additional personnel." Dr. Anderson stated that recently there have been "examples of air quality issues with the recent exceedance of the PM_{2.5} standard."

Dr. Anderson stated that the Environmental Health Services Division has concerns regarding the Food and Drug Administration's (FDA) Regulations and being able to comply with those mandates specific to the number of inspectors in ratio to the number of food establishments. Dr. Anderson stated another issue is the recycling rate and the proposal to increase the mandated rate to 75%; that should that proposal pass there "will be statewide repercussions relative to this and the costs associated with that enforcement."

Dr. Anderson presented the "FY 11 Budget overview", advising that the opening fund balance is \$1,970,368; that the General Fund Transfer is \$8,542,500; that the revenues are projected at \$8,697,738, with projected expenditures totaling \$18,495,330 resulting in an Ending Fund Balance of \$715,276.

Dr. Anderson stated that per the Interlocal Agreement, Staff is required to present the Health District's proposed budget to the managers of Reno, Sparks and Washoe County; that Staff conducted this meeting on Tuesday, March 2, 2010. Dr. Anderson stated that attending were Mr. Shaun Carey, Sparks City Manager; Ms. Donna Dreska, Interim Reno City Manager; and Mr. John Sherman, Director, Washoe County Finance.

Dr. Anderson stated Mr. Sherman commented 'he was very pleased that the Air Quality Management Division had relocated to the main county complex; that this resulted in a savings on having to lease office space. Dr. Anderson stated that additionally customers of the Health District will no longer be required to "go to different locations" to do business. Dr. Anderson stated Mr. Sherman cautioned "that the General Fund Transfer could change"; that as everyone is aware "the budget is a 'snapshot' in time, with daily occurrences and impacts that cannot be predicted." Dr. Anderson stated that Employee Associations negotiations are in progress; that there are restricted funds which the Board of County Commissioners may redirect; therefore, he requested the Board "be aware of the possibility the General Fund Tax Transfer could change." Dr. Anderson stated Mr. Sherman was concerned that "the Health District was utilizing \$1.2 million from the Ending Fund Balance"; that it would be necessary for the Health District to "review that approach, as this would not be sustainable "the long-term" due to the current revenues and expenditures."

Dr. Anderson stated that Mr. Carey questioned regarding the licenses and permits and the measures being implemented to improve sustainability of the licensing and permitting. Dr. Anderson stated "Mr. Sack used the opportunity to explain that the local health authorities are not allowed to charge rates 'beyond what it takes to actually pay for the specific activity'; therefore, there is a "limitation on how much can be charged for licenses and permits." Dr. Anderson stated that Mr. Carey's overall budget concern "was the same expressed by Mr. Sherman"; that Mr. Carey "stressed the need for financial accountability."

Dr. Anderson advised that Ms. Dreska concurred with Mr. Sherman's concern specific to utilizing the \$1.2 million from the Ending Fund Balance.

In response to Ms. Jung regarding the \$193,000 "swept by the State", Dr. Anderson advised that that loss of funds was during the recent Special Session of the Legislature.

Ms. Jung questioned if the Health District will be "reporting that and any other impacts local governments will receive to Mr. Slaughter to present to the Board of County Commissioners and the Cities of Reno and Sparks.

In response to Ms. Jung, Mr. Slaughter has forwarded emails regarding the various "which have been changed; that Staff has responded to him as to what Staff estimates the costs to complete are." Dr. Anderson stated that she received "an email last night from Mr. Slaughter detailing the decrement to the *Fund for a Healthy Nevada* and the Trust Fund, which was funded by the Tobacco Settlement for use by various agencies that would apply for funding for preventive health

measures and programs for children and seniors." Dr. Anderson stated that although the loss of these funds "does not affect the Health District directly it affects the District indirectly, as those monies are no longer available in the State to provide those types of programs that are public health centered."

In response to Ms. Jung regarding Mr. Sherman's comment "that the General Fund Transfer could change, how collective bargaining could affect that and what other funds are available", Ms. Eileen Coulombe, Administrative Health Services Officer, stated Mr. Sherman was advising "that, as the Health District receives transfer from the Board of County Commissioners as a portion of the general fund for the budget the amount currently noted could change depending upon circumstances as the County's budget has not yet been finalized." Ms. Coulombe stated that Staff "acknowledges that; that the proposed budget is based upon the know information Staff currently has." Ms. Coulombe stated that Mr. Sherman further indicated the County is in negotiations with the various collective bargaining units; that those negotiations have not been resolved; that Staff will discuss this during the presentation. Ms. Coulombe advised that the tentative budget has to be adopted by April 15th; that the final budget has to be adopted by June 1st. In response to Ms. Jung regarding Mr. Sherman's comment specific to the \$1.2 million and using sustainable practices for the beginning of next year, Ms. Coulombe advised that the "Opening Fund Balance is projected at \$1.9 million; that the Ending Fund Balance is \$715,000, with the difference being \$1.2 million, which is the amount the District will utilize for FY 11 to balance." Ms. Coulombe stated that Mr. Sherman's comment "was that this is not going to be sustainable in future years; that Staff recognizes that." In response to Ms. Jung whether the District "over budgeted", Ms. Coulombe stated that the amount is a result of vacancies; that Staff is proposing to "fill some of those vacancies"; therefore, "the vacancy savings being utilized this year will not be available in future years." Ms. Coulombe stated Mr. Sherman was advising that the District would have to determine alternatives.

Ms. Jung questioned how the Health District "is different from other governmental municipalities in regard to charging the customer for the cost of doing business."

In response to Ms. Jung, Ms. Leslie Admirand, Deputy District Attorney, advised that "it is a statutory restriction delineated in Chapter 439 for the Health District." In response to Ms. Jung regarding other governmental agencies "being allowed to generate revenues", Ms. Admirand advised that "golf courses, and other enterprise funds, including building departments."

In response to Ms. Jung, Ms. Coulombe advised that the Health District "does generate revenues and charges for services"; however, the "Fee Schedule includes a disclosure the District does not charge 'what the market will bear.'"

Ms. Jung stated that with the exception of "golf and enterprise funds, all fees for governmental services are for 'what it costs for an employee to process the paper, etc.'"

Chairman Humphreys stated that "not knowing what the final amounts will be is no different than any other year when the initial Budget is presented to the Board; that this is just part of the entire review process."

In response to Ms. Jung regarding "what other funds could the Board of County Commissioners redirect from the Health District", Ms. Coulombe stated "there are general funds embedded in the proposed Budget and there is the Vector tax; that the Board of County Commissioners will be deliberating on the special revenues." Ms. Coulombe stated that the District receives "general funds from the Board of County Commissioners; that the remaining are the District's revenues generated from fees and grants; that the District has no other taxes in its budget."

Ms. Coulombe stated that she, too, would commend the Department's "fiscal team for the work they have completed and the work yet to be done", as Staff's presentation of the budget to the Board of Health is the "first step in budget process." Ms. Coulombe thanked the Division Directors and Program Managers for their efforts, as the Budget preparation "is a very collaborative process." Ms. Coulombe stated that the Health District is a "health fund, which is a special revenue fund."

Ms. Coulombe advised that Staff recommends the District Board of Health accept the Washoe County Health District Fiscal Year 11 budget, with revenues budgeted at \$8,697,738, the general fund transfer of \$8,542,500, and expenditures budgeted at \$18,495,330. Ms. Coulombe stated "there are sufficient resources to meet the District's reduced service levels for FY 11." Ms. Coulombe stated "this is different than last year when Staff presented a budget that was not in balance." Ms. Coulombe stated the Interlocal Agreement requires the Board of County Commissioners adopt the final budget for the Health District; that the Health District budget is prepared in the same method as all other departmental budgets.

Ms. Coulombe stated that, as Staff previously advised the Board, the County Commissioners have adopted "a Balance Plan for Stability and Sustainability with three (3) goals, which are in priority order: 1. Maintain Service Level; 2. Maximize Employment; and 3. Achieve Sustainable Labor Costs. Ms. Coulombe advised that Staff has incorporated these goals into the Health District's proposed FY 11 Budget.

Ms. Coulombe advised that "a tiered structure of department cuts, ranging from 2% to 5% for operating costs have been applied to the policy priority areas. Ms. Coulombe advised that the General Fund Transfer for Fiscal Year 11 is \$8,542,500, which indicates the Health District's Initial Funding Level with a 3% operational reduction of \$253,000. Ms. Coulombe stated that, as Dr. Anderson advised, "the Budget does anticipate the use of the Ending Fund Balance"; that the "anticipated expenditures for Fiscal Year 11 are balanced with a combination of forecasted Health District revenues, general fund tax transfer and Fiscal Year 10 ending fund balance."

Ms. Coulombe provided an orientation to the FY 2010 – 2011 Budget Book, advising that Tab 1 contains the Health Department's updated *Mission* and *Vision* statements and the Strategic Priorities, which were determined during the Board's deliberation during the Strategic Retreat. Ms. Coulombe advised that the Budget was prepared "with the work plans all being tied to one (1) of the six (6) key strategic priorities." Ms. Coulombe stated that "key to the organization is priority #6. Promote financial accountability and stability." Ms. Coulombe stated that, as she advised, the Health District has sufficient resources this year; however, Staff is aware that this is not sustainable in the long-term (5 years out.)

Ms. Coulombe reviewed Tab 2 "Health Fund Sources and Uses" in detail, advising that page 1 delineates the revenue resources providing the "Actual Prior Year Ending 6/30/09", those which have been audited and closed. Ms. Coulombe stated the second column is "Estimated Current Year Ending 6/30/10", which is the current budget year; that Staff presents monthly reports to the Board as to "where the budget is tracking"; that "when projected out to the end of the Fiscal Year a comparison of budget to the actuals Staff would estimate it would be at 95.5%"; therefore, the District's "revenues will be a little short." Ms. Coulombe stated that when presenting the Budget Staff "combines the current year and the next year reviewing the two (2) years together." Ms. Coulombe reviewed the licenses and permits advising that the "Tentative Approved" is "forecasted to be \$1,040,500, which is approximately a 4% decrease from the estimate to complete from the previous year." Ms. Coulombe reviewed the Intergovernmental revenues, which includes Federal Grants (direct and indirect); State Grants and others; that "overall grants are down by 14%, which is primarily being driven by the State grants." Ms. Coulombe stated that Dr. Anderson referenced the Tobacco Program Grant, which was reduced by \$192,883; that approximately \$120,000 has been reduced from the Child Abuse and Neglect Prevention Program; that approximately \$8,000

has been reduced in State grant funding for the Tuberculosis (TB) Program, for a total of approximately \$320,741 from grant funded programs. Ms. Coulombe reviewed the "Charges for Services", advising that a comparison of the budget with estimates to complete results in 83.6% "of what was budgeted at this time last year", which equates to a 6% reduction. Ms. Coulombe stated that the subtotal for licenses/permits; grants; and charges for services is \$8,697,738, which is "approximately a 12% reduction." Ms. Coulombe reviewed the General Fund Transfer, with the 3% reduction in operational costs, advising that the beginning fund balance is \$1,970,368 "is primarily driven by the vacancies." Ms. Coulombe stated that "typically government does utilize Beginning Fund Balance for operations and as a resource for the coming year"; that the comment presented "was that the Health District will not always have those vacancies"; therefore, it is necessary for the District "proceed cautiously" in future planning.

Ms. Coulombe reviewed page 2 (Tab 2), advising that it delineates the five (5) divisions categorically for salaries and wages; employees benefits; services and supplies; capital outlay; and subtotal. Ms. Coulombe advised that the Health District's expenditures are projected at \$18,495,331, which "is a slight reduction of approximately \$45,000 from the current year, resulting in an Ending Fund Balance of \$715,275." Ms. Coulombe stated that in last year's proposed budget the District's Ending Fund Balance was approximately \$306,000; that the target for the Ending Fund Balance for the final budget was \$258,000; that the District "is moving in the right direction to building that amount to have cash flow for payroll, payables, etc."

Ms. Coulombe advised that Tab 3 delineates the "Per Capita" overview (alphabetically) of resources for the various programs; that Staff utilizes this information "as a benchmark against the Per Capita of the General Fund for the distribution." Ms. Coulombe stated that based upon Ms. Jung's request page two (2) "is the same spreadsheet resorted according to the General Fund, providing two (2) overviews of the different program areas." Ms. Coulombe stated that the District "is down in Per Capita funding from last year when Staff presented the Budget; that last year the Per Capita funding was \$23.83; that with the reductions Per Capita funding is \$21.49."

Ms. Coulombe advised that Tab 4 delineates the Health District's mandates; that the "Legend" at the bottom of the page indicates if a program is legally mandated (3); is a core function (2) of public health; or has been determined to be a District Board of Health Strategic Goal (1).

Ms. Coulombe advised that Tab 5 is the Health District's departmental Organizational Chart; that the Board members have been provided with updated pages for Administrative Health Services (AHS) and Community and Clinical Health Services (CCHS) (copies of which were placed on file for the record). Ms. Coulombe stated that last year the County offered "voluntary separation

incentives"; that approximately fourteen (14) Health District Staff accepted the separation. Ms. Coulombe advised that the stipulation for the incentives was a "Return on Investment (ROI) for 2.5 times the benefits that were paid, which required the position 'be held dark'." Ms. Coulombe advised that the District "has done a one-on-one and has been working with Mr. Conforti in abolishing all of those positions", which will allow Staff to "focus on the budget being presented and the planning." Ms. Coulombe stated that "by abolishing those positions it takes those 'off the books' as there are ancillary charges when certain positions remain 'on the books'." Ms. Coulombe in the future should it be determined "there is still a need for those positions, and things turn-around", the Health District can request those positions be filled.

In response to Dr. Khan regarding the "delimited positions", Ms. Coulombe advised that the delimited positions are currently vacant and will remain on the books. Ms. Coulombe advised that in Administrative Health Services a Storekeeper accepted the separation incentive; that "rather than keep that Storekeeper position 'on the books' while it remains vacant it has been abolished." Ms. Coulombe advised that last year within the CCHS Division Home Visiting some positions were transitioned to other vacant positions; that two (2) Public Health Nurse positions; and Administrative Secretary Supervisor; and an Office Assistant II were "taken off the books." Ms. Coulombe stated that Staff is in the process of updating the Organizational Optimization Plan, which was developed based on a recommendation of the Structural Review Team (SRT) in 2007. Ms. Coulombe stated that Staff anticipates presenting the "finalized positions" of the Health District to the Board in June for FY 11.

Ms. Coulombe advised that in Fiscal Year 2010 (current FY), the Health District had 203 authorized positions; that the Budget for Fiscal Year 2011 the Health District will have 190 authorized positions. Ms. Coulombe advised that the Board members have been provided a handout delineating the *FY 10 Vacant Positions – Currently in Recruitment* (a copy of which was placed on file for the record); that the positions listed "are in various stages of recruitment." Ms. Coulombe advised that last year the Board approved "a Senior Air Quality Specialist" position; that an existing Staff member was promoted into that position resulting in a vacant "Air Quality Specialist", which is in the recruitment process. Ms. Coulombe stated these positions are funded at the entry level; that the "value" of these positions is listed; however, the amount noted "in Cost to Local" may not be "the full value of that position"; that the Air Quality Specialist position will receive grant funding; that the Public Health Emergency Response Coordinator position and the Community Health Aide position for WIC will be 100% grant-funded. Ms. Coulombe advised that "Staff is always attempting to maximize the grants and save local dollars." Ms. Coulombe stated that these are the positions which have been identified by the Division Directors "as being of immediate need for the respective programs to operate in mandated areas."

Ms. Coulombe advised that the second grouping *FY 11 Vacant Positions – Funded* delineates those positions which held vacant in FY 10 to balance the budget; that these positions are "authorized and funded in the expenditures of the Budget for FY 11." Ms. Coulombe advised that the Environmental Health Specialist for the Solid Waste Program will be a grant-funded position. Ms. Coulombe stated that the Public Information Officer position has become vacant in the current Fiscal Year; that the listing of this position is asterisked; as a recommendation in the Organizational Optimization Plan was should this position become vacant it would be reclassified to a Health Educator or an Outreach Coordinator. Ms. Coulombe stated that the job description for an Outreach Coordinator "is a unique classification for the County"; that this is an individual who works with the various Citizen Advisory Boards (CABs); therefore, that is not the "classification the Health District would use; that the Health District would utilize the Health Educator" classification for those activities. Ms. Coulombe stated that Dr. Anderson referred to potential EPA revisions to the Air Quality Standards; therefore, after decisions are presented by EPA, Staff will have additional information for determining if the position will be reclassified as a Health Educator or Air Quality Specialist position.

Ms. Coulombe advised that the last grouping *FY 11 Vacant Positions – Held FY11* are those which, during prioritization discussions, the Division Directors determined "these positions could be held dark for another year in an effort to balance the budget."

Ms. Coulombe stated that Tab 8 delineates "Program Revenues and Expenditures" by departmental programs, including a FY 11 Fiscal Analysis. Ms. Coulombe provided an overview of the Tobacco Use Prevention Outreach budget (page 19, Tab 8), advising that this grant was projected for FY 11 at \$192,883. Ms. Coulombe reviewed the Fiscal Analysis (10418) for the Tobacco Use Prevention Outreach, advising that, as these funds have been 'swept', the eight (8) hours for an Office Assistant II assigned to this Program will be utilized to increase Staff time in Immunizations "by those eight (8) hours." Ms. Coulombe advised that, although it is not noted, the full-time Health Educator position "on this grant will be re-assigned to the vacant Epidemiology Health Educator position." Ms. Coulombe stated that the .53 Fulltime Equivalent (FTE) Health Educator position will be reassigned to "the local dollars." Ms. Coulombe stated that on page 16 (Tab 8), the \$53,905 in the right-hand column is the value of the part-time Health Educator; that there have been reductions in services and supplies in the amount of \$16,214 from local dollars. Ms. Coulombe stated that \$37,691 has been budgeted for the Tobacco Use Prevention Program; that historically this would have been considered an "Above the Base" request; however, this amount has "been embedded" in the proposed budget.

Ms. Coulombe advised that in since the inception of the Epidemiology and Public Health Preparedness Director position it was 100% grant funded; that Staff has attempted to maintain that

position as 100% grant funded "to save local dollars." Ms. Coulombe stated that this year it is necessary for a "portion of that position to be funded by local dollars, as this position has and Epi function and a public health preparedness function." Ms. Coulombe advised that the Administration Health Services Division has agreed to "hold the GIS Specialist position dark, as the District does have access to the County's GIS Department." Ms. Coulombe stated that approximately 25% of the cost of Dr. Todd's position will now be from local dollars.

Ms. Coulombe stated that there remain "several unknowns, including State and local structural deficits; concessions Washoe County is negotiating with the various employee associations; restricted revenue resources, which will be reviewed by the Board of County Commissioners." Ms. Coulombe stated that there is approximately \$350,000 in revenues and expenditures in the Vector fund; that this is balanced; however, it would be necessary "to make some adjustments if those funds are redirected."

Ms. Coulombe stated that, as she advised the Health District "is at the 3% reduction" however, "the General Fund Transfer may change." Ms. Coulombe stated that at the last meeting of the State and Local Health Officers, Dr. Anderson was advised that "some of the State contracts and Notices of Grant Awards are still being reviewed; that there may be potential reductions in base grant amounts (i.e., Immunizations); that it may be necessary "to redirect local dollars."

Ms. Coulombe stated Staff "will most likely be coming back to the Board" as the budget process progresses. Ms. Coulombe stated that Staff is employing the County's goals of: 1) Maintain Service Level; 2) Maximize Employment; and 3) Achieve Sustainable Labor Costs. Ms. Coulombe advised it is the recommendation of Staff "that the Ending Fund Balance remains at \$715,000 (the 3% reduction of \$253,000). Ms. Coulombe advised that payroll expenses are approximately \$1.1 million per month, with vendor payments at approximately \$200,000 per month, for a total of \$1.3 million. Ms. Coulombe advised that Staff acknowledges the Board has "quite a challenge in prioritizing programs, service levels and mandates; that Staff is available 'to take direction' from the Board as 'to what outcomes the Board desires and how much should be expended to achieve those outcomes."

Chairman Humphreys stated that "Ms. Coulombe and her Staff are again to be commended for the work done in the preparation of the Budget", including providing the documentation to the Board a week in advance allowing the Board members the additional time to review the Budget book.

Chairman Humphreys stated that in reviewing the list of vacant positions being held for FY 11; that maintaining this position vacant for FY 11 was discussed during the Board's Strategic Planning Session. Chairman Humphreys stated that with the request for review of emergency medical services and response issues; and the Health District's oversight of emergency medical issues (i.e., REMSA and emergency preparedness issues) he would recommend the Emergency Medical Services (EMS) Coordinator position be considered a priority and recruitment initiated. Chairman Humphreys advised that he "believes that it is critical this position is filled." Chairman Humphreys stated that although the positions listed for recruitment are funded for the year it will not be possible to complete the recruitments and fill all positions by July 1, 2010. Chairman Humphreys stated, should the Board members concur that the EMS Coordinator position is a priority; he would recommend the cost savings achieved through staggering the start date of those positions "currently in recruitment" be utilized to pay for the funding of the EMS Coordinator position. Chairman Humphreys stated that utilizing the savings from staggering those other positions would allow for "the Ending Fund Balance to remain at \$715,000 (the 3% reduction of \$253,000) as recommended by Staff."

In response to Chairman Humphreys, Ms. Coulombe stated that "yes that could be accomplished"; however, she would request the opportunity to discuss it with the other Division Directors for comments regarding the "start dates for those positions." Ms. Coulombe advised that "staggering start dates has been utilized" previously; that recruitments "do take a few months after the paper work has been initiated." Ms. Coulombe advised that, as noted on page 26, Tab 8, the EMS Coordinator position has a value of "\$91,667"; therefore, "that would be the target to achieve to fund that position full-time." In response to Ms. Jung regarding this position being "an incentive retirement", Ms. Coulombe advised that the previous EMS Coordinator retired prior to the offering of incentive separation(s). Ms. Coulombe stated that this position was being "held dark to assist in balancing the budget; that she has been fulfilling that role"; that there is "a part-time Nurse position" in this Program, "who has been performing the REMSA oversight"; therefore, it has required "minimal oversight from her." Ms. Coulombe reiterated it was "not part of the County's 'Return on Investment' (ROI).

Dr. Furman stated that he concurs "this is an important position, which was previously held by a Registered Nurse"; that it is a specialized position "for emergency medical services; that as a physician he isn't qualified for it"; therefore, "he would urge care in filling this position."

In response to Dr. Furman, Ms. Coulombe advised that Staff has discussed the qualifications of this position, specific to requiring a Registered Nurse (RN) degree for this position, and possibly eliminating the licensure requirement. Ms. Coulombe advised that eliminating the licensure

requirement would not be considered a reclassification; however, "it would probably require a review by the Job Evaluation Committee (JEC)."

Mr. Gustin stated that he concurs "regarding the importance of the EMS Coordinator position"; that there are discussions specific to the development of fire districts, "which would change the model currently in existence." Mr. Gustin stated that due to the importance of this position, he would question "if perhaps there would be funding from the fire district(s) for the funding of the EMS Coordinator position for the Health District." Mr. Gustin stated that the establishment of a fire district "will require a lot of 'give and take' to accomplish as it "will encompass the three (3) fire agencies currently operating in Sparks, Reno and Washoe County."

In response to Mr. Gustin regarding the current number of vacancies, Ms. Coulombe stated that there are "16 positions which aren't currently filled, with approximately fourteen (14) positions, which have been abolished." Ms. Coulombe stated that "these are the current vacancies for the beginning of Fiscal Year 11."

Mr. Gustin questioned, with the proposed reductions he would question whether "Staff is comfortable with the service levels, which could be provided, with the positions being recruited and the Staff which is currently funded for FY 11 being adequate."

In response to Mr. Gustin, Ms. Coulombe advised that all Divisions "have made reductions and investigated efficiencies"; therefore, Staff is presenting a budget "that is within the means with the Budget being presented."

In response to Mr. Gustin regarding "retirement benefit packages", Ms. Coulombe advised that she does not participate in the negotiations; that she is aware "the County is reviewing different concessions"; however, the County is not offering "incentive packages as has been done in previous years (i.e., PERS or payment of health insurance, etc.)." Ms. Coulombe stated that employees hired before 1997, upon working for twenty (20) years will have their premiums for individual health care paid 100%; that employees hired after 1997 will receive a percentage of that premium payment based upon years of service. Ms. Coulombe advised that there are discussions regarding "benefit packages"; that "changes to those areas may result in some employees to retire earlier." Ms. Coulombe advised that should any Staff member retire those positions would become vacancies.

Mr. Gustin stated that should anyone make the determination to retire because "of that would be senior Staff members; that the pay schedule will be different from those retiring to those newly hired." Mr. Gustin stated that Staff is to be commended for developing "what is a workable solution"; however, "there may be the flexibility and the ability to have access to funds that don't currently appear to be available to utilize in the upcoming budget." Mr. Gustin stated there may be alternatives that become available, which could allow for further discussions regarding service levels and positions.

Ms. Coulombe stated that, as in previous years, the Health District has utilized "multiple tactics to balance the budget"; however, "it is not a sustainable practice." Ms. Coulombe stated the EMS Coordinator position is approximately \$92,000 annually; that the Division Directors will discuss the various recruitments "and possible target dates for these new positions" and the possibility of garnering enough funds through staggering those recruitment positions to enable the funding of the EMS Coordinator position.

Mr. Gustin reiterated that "there may be some options that become available."

Ms. Jung questioned what "is the year equivalent" in Health District service levels and funding with all of the reductions during the past few years.

In response to Ms. Jung, Ms. Coulombe stated that in Fiscal Year 2005 the Health District's budget was \$8,013,231; that in FY 2006, due to Above the Base costs, the Health District's Budget was \$9,000,227; therefore, the proposed FY 11 budget is approximately the equivalent of FY 2005. In response to Ms. Jung regarding the Health District's 2005/2006 Organizational Chart, Ms. Coulombe advised that that can be provided to the Board for comparison.

In response to Dr. Anderson regarding Ms. Jung "requiring this information for the BCC presentation", Ms. Jung requested the Board of Health have the opportunity to review the information first.

In response to Ms. Jung, Ms. Coulombe advised that Staff will email the Organizational Chart to the Board of Health members. In response to Ms. Jung regarding the Health District's budget including "potential grant funding", Ms. Coulombe advised that Staff does project grant funding "based upon what is known"; that some grants are "calendar year"; therefore, the amount for the beginning of the Fiscal Year is known and will be incorporated "as an exact." Ms. Coulombe stated

that historically, should Staff be "unsure about a grant coming in", Staff will only include the cost of the salary and benefits of the position "if there is an individual in that grant." Ms. Coulombe stated that when the grant "comes in Staff will adjust either higher or lower and present those budget amendments to the Board during the Fiscal Year." In response to Ms. Jung regarding "this being a County policy or specific to the Health District", Ms. Coulombe stated that she can only address the Health District's practice; "that the Health District is very conservative regarding forecasting the grants." Ms. Coulombe stated that she is aware "grants is a topic in which the County is very interested"; that "grants are a component of the Health District's business; and thus very important for the Health District to have as a complement to the Health District's fees and General Fund Transfer." Ms. Coulombe stated that, as the Board is aware, there is Staff time associated with administering grants, including 'deliverable' activities and reporting requirements with which the District must comply to receive the funding.

Ms. Jung requested Staff contact the Senior Services Center, as it is her understanding "the Senior Services Center does not anticipate any grants."

In response to Ms. Jung, Ms. Coulombe stated that Staff will contact the Senior Services Center; that the Health District "is very fortunate to have quite a bit of expertise on the team in years of experience." In response to Ms. Jung regarding Capital Outlay expenditures in the various Divisions, Ms. Coulombe advised that the Air Quality Management Division "has to replace equipment."

In response to Ms. Jung, Ms. Patsy Buxton, Fiscal Compliance Officer, advised that within the Public Health Preparedness Grants "a mobile morgue trailer, which will be capitalized, was purchased and other equipment for preparedness activities, all of which would be grant funded."

Ms. Jung requested that Staff "be prepared for this question" to be asked"; that "this was something being reviewed during the Special Session in regard to Capital Outlay and any Capital Investments."

Ms. Buxton stated that the Health District's Capital Outlays "would be 'more or less' specific equipment (i.e., vehicles, trailers).

Ms. Coulombe stated that the Capital Outlays are not structures.

Dr. Khan stated that she would commend Ms. Coulombe, the Division Directors, the Fiscal team and the Program Managers for "an excellent job on the preparation of the budget book; that she appreciates all of the work that went into it." Dr. Khan stated that in regard to the reduction of State Grants and revenues anticipated from the State, she would question if the reduction is "reflective of the State not receiving the grants or taking a higher indirect cost."

In response to Dr. Khan, Ms. Coulombe advised that the State Grants are "being driven by the three (3) issues – the Tobacco Grant in the amount of \$192,883, which the District will no longer be receiving; that a grant application has been submitted for the Child Abuse and Neglect Prevention Program (Tab 8, page 14), which has one (1) FTE (Full-Time Equivalent) position; however, it is not known if the grant application will be approved. Ms. Coulombe advised that the "Estimate to Complete" is \$223,286; however, Staff "is forecasting the grant for only the salaries and not any of the operational costs at \$103,428, which equates to a reduction of \$119,858." Ms. Coulombe stated the third issue is the Tuberculosis (TB) Grant, which has been reduced by approximately \$8,000. Ms. Coulombe advised that the combined reductions are for a total of \$328,000. Ms. Coulombe advised that the total of reductions in all of the Federal Grants is \$588,798, the equivalent of 11%. Ms. Coulombe advised that the District has received "a number of PHER (Public Health Emergency Response) Grants" in FY 10, which "are concluded and not funded"; that it is not known "what will be funded for FY 11." Ms. Coulombe advised that "in finance a year-to-year comparison is the driver for the budget." Ms. Coulombe advised that "grants are forecasted to be 'expended out' within the Fiscal Year"; that some grants do allow for a "carry forward of any funds which are not 'expended out' during the year to enhance the operations." Ms. Coulombe stated that it is not necessarily an issue "of dollars that go back as the Health District has not drawn the dollars down on the Federal grants, it is done by reimbursement; that the District would not spend to that authority level."

Dr. Khan questioned if the reduction in revenues within "charges for services – Health and Welfare is reflective of a decrease due to sliding scale fees and reimbursement for direct care."

In response to Dr. Khan, Ms. Coulombe advised that "some of the services provided in the clinics (i.e., Immunizations, Tuberculosis, STD, Family Planning) are 'tracking low'; that these services do have sliding fee scales and may also be reflective in peoples inability to pay." Ms. Coulombe advised that in Vital Statistics (Birth and Death Certificates) "is projected to be down approximately \$5,000; that requests for Vector Plan Reviews and Dust Control Plans are also anticipated to be low." Ms. Coulombe stated there is the possibility that during the Special Session an increase to the fees charged for Birth and Death Certificates may be considered, which would allow the District "to recoup some of the \$5,000."

Dr. Khan stated that Dr. Anderson indicated there has been an increased demand for services; that she would anticipate a continued increased demand for services with more people unemployed and without insurance; however, with a reduction in anticipated revenue she would question if "the Health District is seeing more clients but they are paying less."

In response to Dr. Khan, Dr. Anderson stated that "that may be part of it, as people who would not usually come to the Health Department for services are now requesting services because 'they have no jobs', with the sliding scale fee being based upon what they earn."

In response to Dr. Khan, Ms. Buxton advised that the revenues projected for FY 11 is based on "the client levels remaining the same or increasing; however, the current revenues are not coming in; therefore, it is anticipated the revenues will remain status quo." Ms. Buxton advised that Fiscal Staff is working in conjunction with the Department Statistician in reviewing data to determine 'how people are paying' and in what categories." Ms. Buxton stated she anticipates "that by the next Board meeting Staff will have information as to 'those who are within the zero payment category if they can make some type of payment and what types of payment(s) are being made by those who are within the full pay category."

In response to Dr. Khan, Ms. Coulombe advised that in projecting revenues, Staff confers with the Program Managers to review "specifics"; that "when developing the Budget Staff is very, very conservative in revenue amounts." Ms. Coulombe advised that this is achieved in reviewing "where revenues have been collected"; that, as Ms. Buxton stated, Staff is conducting "some deeper analysis of the different revenue structures."

Dr. Khan stated that "she will be interested in the analysis"; that while understanding being unemployed and having no insurance "changes peoples options"; however, the concept of a "everything is provided free model is one the Health District cannot sustain." Dr. Khan stated that unfortunately "there are very limited other options within the community. Dr. Khan stated that "there may be some opportunity to review the flexibility of the (sliding scale) pricing."

In response to Dr. Khan, Ms. Coulombe advised that a number of years ago the CCHS Division did implement a "pay your fair share" rather than the concept of "free clinic services"; that the CCHS Division "has been working on collecting fees"; that the Fiscal team is assisting in this effort. In response to Dr. Khan regarding any success in billing "public health insurance" agencies for reimbursement, Ms. Coulombe stated that Staff "will report back on this issue, as the District has

had quite a few challenges with Amerigroup. Ms. Coulombe stated that the Department Computer Application Specialist (DCAS) is attempting to resolve those challenges to obtain reimbursement.

Mr. Smith stated that the issue of reimbursement for Medicare and Medicaid is of concern; that he noted the reimbursement was approximately "\$500 for the entire year"; that this is "a revenue source for the Department which needs to be pursued."

In response to Mr. Smith, Ms. Coulombe advised that Staff will report back to the Board as to the current status of this issue; that the analysis will provide "a better understanding of what the pay categories are." Ms. Coulombe stated that training Staff "in how to 'approach' people for collections" may be an option; that "it is really important to collect these fees, as it does make those programs sustainable."

Chairman Humphreys requested that the report also include how Staff "evaluates whether a client has any type of insurance coverage (i.e., Medicaid, Medicare or private insurance) and whether those are being billed." Chairman Humphreys stated that "there should be a procedure (CPT) code for those procedures which are being performed."

In response to Chairman Humphreys, Ms. Coulombe advised that as a component of this procedure, Staff has been reviewing the "write-offs", which are those payments for service the District was unable to collect and "carried on the books" for a period of time. Ms. Coulombe stated "write-offs can be a good indicator of 'being a good steward' in delivering services; that there is a difference between a bill being uncollectible and attempting to bring collections in." Ms. Coulombe stated that there are services "which cannot be denied for inability to pay"; that Staff will attempt to determine "where are the write-offs occurring and in which programs."

Dr. Furman stated that "nationally local health departments receive 5% of the funding from Medicare and 10% from Medicaid, with 25% from local funding."

Mr. Gustin questioned if "the challenges" in collecting to which Ms. Coulombe referred "was a coding issue."

In response to Mr. Gustin, Ms. Coulombe advised that the challenges had to do "with the coding, getting the two (2) programs 'to read each other'; that the 'first batch' submitted were denied; that

Staff is very aggressively pursuing a resolution" to allow for receiving payment. Ms. Coulombe stated that the Health District "delivered the service and expects payment."

Chairman Humphreys stated there are challenges in "verifying insurance, adhering to billing procedure(s), and a follow-up procedure; that some insurance companies do not pay as efficiently as 'could or should' be done."

Mr. Gustin stated that with health care reform there are discussions regarding "electronic billing"; that he would question if electronic billing would be a solution; that "generating revenues and getting the District paid for the provision of services is what is important."

Dr. Anderson stated that another aspect "is the range of services which local health departments provide varies vastly throughout the country"; that there are a number of health departments "which provide far more direct clinical health services." Dr. Anderson stated that some local health departments provide dental services and primary care/family practice-related services; that the provision of those types of services would garner more reimbursements through Medicare and Medicaid than what the Health District might proportionally."

Chairman Humphreys stated that "it is important for the Board of Health to recognize the goals, which have been established by the Board of County Commissioners for the budgetary review process." Chairman Humphreys reiterated that the goals are: 1) maintain service levels; 2) maximize employment; and 3) achieve sustainable labor costs. Chairman Humphreys stated that he would support a motion to approve the proposed Health District Budget for FY 11, with revenues budgeted at \$8,697,738; general fund transfer of \$8,542,500; and expenditures budgeted at \$18,495,330. Chairman Humphreys reiterated that he would encourage the Board members to approve the recruitment of the Emergency Medical Services (EMS) Coordinator's position "with a target start date of July 1, 2010. Chairman Humphreys stated that "to accomplish this Staff be directed to evaluate options for the funding of this position.

Ms. Jung stated her concern is "she isn't entirely convinced that the EMS Coordinator position is the most important"; that approval of that position "wasn't a Staff recommendation"; that there are a number of vacant departmental positions. Ms. Jung stated that "she does not know how she would argue in favor of this at the Board of County Commissioners.

In response to Ms. Jung, Dr. Anderson advised that the "all of the other positions" listed on the handout, with the exception of those recommended to be held "are funded in the FY 11 proposed budget presented." Dr. Anderson stated that "the only ones not being recommended for funding are the GIS Specialist; the Administrative Secretary Supervisor; the EMS Coordinator and the Licensed Engineer." Dr. Anderson stated that of the four (4), which were recommended not to be funded, she would concur "that because of the emerging issues relative to EMS the EMS Coordinator position should be filled." Dr. Anderson advised that the EMS Coordinator has other duties other than those related to REMSA. Dr. Anderson stated that to continue to "ask Ms. Coulombe to continue to do the job of EMS Coordinator" in addition to her duties as the Administrative Health Services Officer is unrealistic.

In response to Dr. Anderson, Ms. Jung stated that "she can justify that to the Board of County Commissioners."

Ms. Coulombe stated that based on the Board's direction, the Division Directors will discuss the option of staggering start dates for the other positions to allow for the funding of the EMS Coordinator position. Ms. Coulombe stated that "should there be an internal promotion within EHS to fill the Senior Environmental Health Specialist position the resulting vacancy could possibly be held vacant"; that the "combination of these efforts may fund the EMS Coordinator position.

Chairman Humphreys stated that, as Mr. Gustin indicated 'there may be other options'; that currently "there are a number of unknowns that won't be decided for another month or two (2); that everything needs to be considered in the review process."

Ms. Coulombe stated that the Board's direction to Staff is to investigate the possibility of "funding the EMS Coordinator position through a vacancy pool" regardless of "whether it is through staggering start dates of other positions or new unknowns, which may occur."

Mr. Gustin stated that he concurs the EMS Coordinator position is important; however, the maintaining of service levels in Health District is important, too.

Ms. Coulombe advised that historically, the EMS Coordinator position has been 100% funded by local dollars; that the EMS Coordinator position "does work in conjunction with the Epidemiology and Public Health Preparedness (PHP) Staff. Ms. Coulombe advised that the EMS Coordinator

also serves as the "Medical Unit Leader" at the Regional Emergency Operations Centers during trainings, exercises and an actual event.

Dr. Khan stated that filling this position "does relate to service levels, as it has been vacant for more than a year; that the Health District has lacked representation in these issues; that "with all do respect to Ms. Coulombe" in functioning in this capacity, Ms. Coulombe has "other duties and priorities, specifically budgetary issues." Dr. Khan stated that "some of the important roles, which have to be served, pertain to requests for additional information regardless of whether it is about performance, Franchise Agreement oversight, participation in the Local Emergency Planning Committee (LEPC) or those other activities, which the EMS Coordinator had been providing; that it is a critical time to consider filling this position." Dr. Khan stated that she is confident Staff will determine a method on how to fund this whether it is through pooled vacancies or other options. Dr. Khan stated that "she appreciates the discussion; that she would support the motion without reservation."

Chairman Humphreys stated that recent EMS-related discussions have increased the awareness as to the necessity of this position; that the "overall scope of this position, including the role in public health preparedness involves a lot." Chairman Humphreys advised that should a catastrophic event occur the Health District would have the resources available to address it; that "it is necessary to ensure the service level is in place to manage such an event."

Dr. Furman stated that recruitments take time; that the July 1, 2010 start date only allows three (3) months time for the recruitment to fill the position; that his concern would be filling the position "with just somebody" to comply with the Board's directive of July 1st.

In response to Dr. Furman, Chairman Humphreys stated that "Dr. Furman has a good point"; that the intent is to establish "a target date of July 1, 2010."

MOTION: Mr. Smith moved, seconded by Ms. Jung, that the Washoe County District Health Fiscal Year 11 budget, with revenues budgeted at \$8,697,738, the general fund transfer of \$8,542,500, and expenditures budgeted at \$18,495,330, be approved. It was further ordered that Staff evaluate alternative options for the funding of the EMS Coordinator position, with a target date to begin July 1, 2010. Motion carried unanimously.

The Board commended Ms. Coulombe, the Division Directors, the finance team, and Program Managers for an excellent job on preparing the FY 11 Budget.


BOARD COMMENTS

Chairman Humphreys stated that during the past few years the "District Board of Health members have had to make some tough decisions and some changes; that some of those decisions and changes were not real pleasant; however, it is those pro-active decisions, which were made in the past that has allowed the Board to discuss issues more positively today than what the Board has had the opportunity to do in previous years." Chairman Humphreys stated that again, he would commend Dr. Anderson, Division Directors and other Staff. Chairman Humphreys stated that the Board is aware that the various Division Directors have had "to pay from time to time" within their Divisions; that the Board acknowledges that and appreciates the cooperation of the Division Directors.

Chairman Humphreys stated that the Board's Strategic Planning Retreat is in October; that for the Retreat it is necessary to review programs and levels of service; to prioritize programs to be able to attain sustainability. Chairman Humphreys stated that "sustainability has become an 'overshadowing' issue of concern; that the only way to achieve that is to review programs and service levels. Chairman Humphreys stated that Staff will be presenting the Organizational Optimization Plan will be presented in June; that this will also be reviewed during the Strategic Planning Session to present final directions to Staff.

Dr. Furman stated that a new report released yesterday indicates that "foodborne illnesses cost the United States an estimated \$152 billion each year in health care and related financial losses."

There being no further business to come before the Board, the meeting was adjourned at 2:45 pm.



MARY A. ANDERSON, MD, MPH, FACPM, DISTRICT HEALTH OFFICER
SECRETARY


JANET SMITH
RECORDER