

Washoe County



Health District

Washoe County District Board of Health Special Budget Meeting Minutes March 7, 2013

PRESENT: Mr. Matt Smith, Chairman, Vice Chair Jung, Dr. George Furman, Dr. George Hess, and Dr. Denis Humphreys

ABSENT: Councilwoman Ratti and Councilwoman Zadra

STAFF:
 Joseph Iser, District Health Officer
 Kevin Dick, Division Director, AQM
 Eileen Stickney, Administrative Health Services Officer, AHS
 Robert Sack, Division Director, EHS
 Lori Cooke, Fiscal Compliance Officer, AHS
 Leslie Admirand, Deputy District Attorney
 Peggy F. O'Neill, Recording Secretary

Steve Kutz, Division Director, CCHS
 Randall Todd, DrPH, Division Director, EPHP
 Daniel Inouye, Air Quality Supervisor, AQM
 Patsy Buxton, Fiscal Compliance Officer, AHS
 Steve Fisher, Department Computer Application Specialist, AHS
 Peg Caldwell, Registered Nurse I, EPHP
 Stacey Akurosawa, EMS Coordinator, EPHP

TIME / ITEM	SUBJECT / AGENDA	DISCUSSION	ACTION
1:05 pm 1, 2	Meeting Called to Order, Pledge of Allegiance, and Roll Call	Chairman Smith called the meeting to order, followed by the Pledge of Allegiance led by Commissioner Jung. Roll call was taken and a quorum noted.	
3.	Public Comment	No public comment was presented.	
4.	Approval/Deletions Agenda – March 7, 2013	Chairman Smith called for any deletions to the Agenda of the March 7, 2013 DBOH Meeting.	Dr. Humphreys moved, seconded by Dr. Hess, that the March 7, 2013, Agenda be approved as submitted. MOTION CARRIED
5.	Presentation and Possible Approval / Amendments to the Fiscal Year 14 Washoe County Health District Budget, with	Dr. Iser introduced and restated the budget process to the Members of the District Board of Health. Dr. Iser reviewed the comments made by the Cities and County Managers at the Interlocal Agreement Partners' Budget Review Meeting which was held on March 5, 2013. A copy of the comments from the ILA Partners' Meeting was placed on file for the record. Commissioner Jung questioned Dr. Iser about projected EFB dollars being considered restricted funds. Dr. Iser stated that the Tire Dollar Revenues and Air Quality funds are restricted. Ms. Stickney	

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	<p>Revenues Budgeted at \$9,502,822, General Fund Transfer of \$8,373,891, and Expenditures Budgeted at \$18,978,188.</p> <p>BOARD COMMENTS:</p>	<p>stated that "deferrals" are actual cash receipts that are received prior to the next budget year and are restricted. Air Quality, DMV, and some of our other grants are on a reimbursement basis, so when we actually perform the activity, we then bill the grantor. These were dollars that came in specifically for certain activities; they are dedicated dollars. They are "carry forwards."</p> <p>Commissioner Jung stated that \$1 Million of the EFB for FY13 is then a restricted fund area. Ms. Stickney stated that during the budget process, we project them as being spent. When the fiscal year closeout is completed, if they are not spent (and typically they are not going to be fully spent), then they are carried forward into the next fiscal year via the closeout accounting process. Commissioner Jung questioned if after the close out process these dollars are still maintained in a restricted fund area or are they rolled into the Health Fund? Ms. Stickney stated that they do roll up into the Health Fund. Dr. Hess questioned if \$1 Million of the EFB is restricted, and Ms. Stickney stated they are carry forwards but not technically restricted, but they need to stay in the program. Dr. Hess questioned then what percentage of the EFB is actually "restricted," and Ms. Stickney stated that whether they are restricted or not, we have a budget deficit.</p> <p>Ms. Stickney reported that since a new fee structure has not yet been approved, Staff will clearly be revising the budget numbers. Commissioner Jung stated that perhaps the questions are premature, and Ms. Stickney should be allowed to finish her presentation.</p> <p>Dr. Iser stated that we are developing the answers to those questions with Ms. Fine and trying to determine at what level the County is willing to support the Health Fund. Dr. Iser stated that we will need the DBOH to approve this budget as we continue to negotiate with the County, and Staff will bring back to the Board what that revised final budget will be.</p> <p>Ms. Stickney stated that if the Board does have any specific direction that would benefit her in negotiations with Ms. Fine, she would find that helpful. Dr. Iser discussed with the Board which of the "Due Out" items from the ILA Partners' Meeting have been provided to them. Dr. Iser stated that Staff is in the process of developing the EMS Authority budget, and we are about four weeks out on that item. Dr. Iser discussed the other Due Outs. Dr. Iser stated that a lot of the Air Quality sequester planning has been completed. Mr. Sack and Staff are working with DEPA to get information from them. Dr. Iser projects a 5% reduction in EPA grant funding to AQM due to sequestration. Mr. Kutz is prepared to make projections once we get information from CDC and Family Planning to enable that planning.</p> <p>Dr. Iser stated that Staff will be conducting a Community Workshop to roll out the new fee structure, and Ms. Stickney has scheduled that for March 21. We also have set a second ILA Partners' Meeting set for May 7 with senior staff, Mr. Carey, Mr. Clinger, and Ms. Simon.</p> <p>Dr. Hess questioned what the County means by "structural" problems. Dr. Iser reported that he first heard this term last year at the second ILA Partners Meeting when Ms. Simon and Ms. Mendez stated that we have not made the structural changes they would like to see us make to decrease staffing like</p>	

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		<p>the rest of the County departments. Dr. Iser stated that the District Board of Health, upon Dr. Iser's recommendation, made a strategic decision to use EFB funds to continue to provide services for as long as we can. The Orvis Clinic has closed, and that is one less resource for indigent population to access health care. Other agencies are at capacity, so as a group we chose to continue to provide clinical services as long as we can. The County would have preferred we did not make that decision. The County would like to see us leaner than what we were this year.</p> <p>Dr. Hess stated that he does not see many places to make structural changes and maintain the public safety aspect of public health. Dr. Iser stated that it is the County's belief that we have not reviewed capacity to continue decreasing staffing levels. The Health District is staff heavy. Most of our expenditures are related to staff.</p> <p>Commissioner Jung stated that she believes the concern from the County's perspective is that all of the other County departments have had to restructure, consolidate, or retool; however, the Health District instead chose to leave positions vacant and said those are our cuts. That is not what the County would like to see. The County is asking for sustainable cuts. That means driving down the cost of service delivery. Leaving positions unfunded and relying on that as savings is not sustainable. That is not structural change. Commissioner Jung stated we do not anticipate returning to prerecession budget funding in her lifetime because property tax values are a huge part of our revenue stream. The Legislature has put a cap on how much property taxes can appreciate, but they never put a cap on how much they could depreciate.</p> <p>Dr. Hess stated that the Health Fund budget has decreased since he has been on the Board, and Staff has eliminated some positions. He is concerned that reduced levels of funding to the Health District will create serious public health threats in our community.</p> <p>Commissioner Jung responded that the Health District is a little different, but she believes the Health District is staff heavy. She has specific ideas that she will share during the appropriate portion of today's meeting.</p> <p>Dr. Iser stated that to date, the Health District has met the reduction criteria that the County has asked of leadership; but at some point with reduction, the Health District will become not fully functional. At what point do we not meet the needs of our public? Dr. Iser stated that the ILA Partners pointed out that many departments are struggling with reductions, but that the services libraries provide and the immunization services provided by the Health District are not the same.</p> <p>Commissioner Jung stated that she does not agree with Dr. Iser's statement. She does not believe we should pit departments against each other; she would advocate that people in poverty need a library to pull them out of poverty so they can get a job and pay for their own insurance. The BCC has implemented a policy of sustained cuts, and what we are trying to do is make sure we can sustain excellent public service, especially in public health. Most importantly, we should not be taking money</p>	

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from grants that actually cost us more money; the Health District is investing in employee training and development at a time when others are taking cuts across the board. **Commissioner Jung** stated we are all inter-connected. When we pit one department against another, the debate becomes emotional and philosophical, and will not help to pull us out of this budget crisis. In this environment, we have to change fundamentally, and the Health District has been the last to really turn this around. This department will be more difficult to turn about because of that human cost to which Dr. Iser referred.

Commissioner Jung stated that the proposed fee increase which was not well publicized in the public arena has really inflamed the community with the huge increases, and they were actually 700% over what the true costs were. She has major concerns about how the fee increases were rolled out and their calculations. We cannot overcharge users even though you see disaster coming. The County has been urging you to plan for this event.

Chairman Smith stated it is very difficult to cut programs, but the fact is that this organization still has the ability to make some changes for the better, which will create cost savings. We shouldn't be saying that we can't; we should be saying that we can, and we will.

Ms. Stickney proceeding with presenting the FY 14 Proposed Budget. Ms. Stickney stated that Staff is continuing to negotiate the numbers with Finance Department to address the Health District's fiscal realities. Staff will work closely with the Finance Department to resolve the variances and shortfalls presented. Staff recommends that the District Board of Health approve or amend the attached FY 14 Proposed Washoe County Health District Budget. Ms. Stickney reported that the numbers contained in the Budget Book were the numbers published prior to the changes and negotiations which have already occurred.

Ms. Stickney reported that all Health District activities are accounted for in the Health Fund, and the Interlocal Agreement requires that the Health Fund's budget be submitted to the Board of County Commissioners for adoption. The Health District follows the same budget timelines as the County. Ms. Stickney reported that at the conclusion of today's meeting, Staff will submit this Budget to Finance, and any changes or amendments that we make will be brought back to the DBOH.

Ms. Stickney reported on the assumptions and projections used in developing the FY 14 Proposed Budget. The Proposed Budget does anticipate using FY 13 EFB in the amount of \$1,745,528 as an Opening Fund Balance. That OFB is unreserved. The deferrals are expensed out as of June 30. Ms. Stickney reported that the Health District requested an increase in the General Fund Transfer. Ms. Stickney also reported on reclassification and other personnel changes contemplated in the proposed budget, along with the Capital Outlay proposal contained in the Proposed Budget. Dr. Iser reported on HL7 Compliance and Reporting; HL7 compliance is required under the Affordable Care Act. It increases the reliability of data populating the appropriate medical record.

Ms. Stickney then oriented the Board to the remainder of the FY14 Health Fund Budget Book. Ms. Stickney reported that with the Proposed Fee Schedule having not been adopted and the request for

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		<p>an increase in the General Fund Transfer backed out of the FY 14 Revenues; the Health Fund has a projected EFB of (\$785,860). Staff will be working with Finance to see where we can tighten up and look at different revenues and come to agreement as to how to balance the Health Fund Budget.</p> <p>Chairman Smith asked for clarification on the State Doc regarding the Overhead Charge and the subsidy provided by the County. Ms. Stickney explained that the subsidy is included in the General Fund Transfer of \$8,373,891, and the full \$2,553,372 is reflected in the Uses, leaving a net of approximately \$5.82 Million available to the Health Fund for programs in FY 14. The same scenario was applied in FY 13 with a General Fund Transfer of \$8,623,891 and \$2,553,372 CoCAP application, left approximately \$6.07 Million available to the Health Fund for services and programs. Chairman Smith stated that the Health Fund has then taken a \$1.4 Million reduction then since FY 12 with a General Fund Transfer of \$7,250,850 and no CoCAP charge. Ms. Stickney reiterated that the FY 14 Transfer is still under negotiation.</p> <p>Ms. Stickney presented data reflecting the allocation of General Fund to the programs and per capita costs for the provision of Health District services in the County (Tab 4 of the Budget Book). Ms. Stickney directed the DBOH to the Organizational Charts for the Health District (Tab 5 of the Budget Book). Commissioner Jung asked for clarification on FTEs per division. Dr. Hess suggested that we should have a comparison of Organizational Charts from three years ago to the current ones in order to illustrate the structural revisions that have taken place to date. Ms. Stickney reported on the prior practice of "Organizational Optimization," and a reference sheet under Tab 5 for Positions Eliminated between July 2008 and December 2012. Dr. Iser clarified that these eliminated positions do not include the positions that will be eliminated in the FY 14 Proposed Budget. Dr. Hess reiterated that this evidences restructuring that the Health District has implemented. Commissioner Jung stated that Washoe County has lost 27% of its staff and has experienced an 80% cut to its budget over the last five years. The County has implemented major restructuring and consolidation of difference departments, specifically the new Community Services Department, which eliminated directors and brought them under one department head. Commissioner Jung stated that Staff needs to spend time with Human Resources and the Budget Office looking at the potential of combining Air Quality and Environmental Health Services, as well as combining Community and Clinical Health and Epidemiology. The joint AQ/EHS Division would have 62 FTEs, and the joint CCHS/Epi Division 63 FTEs, which would meet a balance with only two division heads rather than four. This is something she believes could be done to reposition the Health District. It could be done via attrition. It would communicate a true understanding of cost-effectiveness to our community.</p> <p>Dr. Iser asked Ms. Stickney to supply equivalent reduction numbers for the Board, and Ms. Stickney reported she will bring that data back to the Board. Dr. Furman stated that similar suggestions were made in years past by the Cities and the County. Dr. Hess stated that based on information provided in the Budget Book, the Health District currently has approximately 159 FTEs. Dr. Iser stated there are actually fewer than that. Dr. Hess stated that 29 positions have been eliminated; that is at least a 25% reduction in staffing. Commissioner Jung stated that in its reduction process, the County has also restructured.</p>	<p>Action Item: Dr. Hess suggested that we should have a comparison of Organizational Charts from three years ago to the current ones in order to illustrate the structural revisions that have taken place to date.</p> <p>Action Items: (1) Dr. Iser asked Ms. Stickney to supply staffing reduction</p>

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		<p>Ms. Stickney oriented the DBOH to the remainder of the documents contained in the Budget Book and their intended purpose. There was discussion about the District Strategic Plans and how funding levels may impact those plans. Commissioner Jung requested that at the 2013 Strategic Retreat, that the Organizational Values statement of the Health District be revised to include a statement regarding serving as many end users as possible. Commissioner Jung stated that one of the primary reasons for restructuring is to ensure that end users are receiving the benefits of cost savings.</p> <p>Commissioner Jung questioned the calculations and actual savings in the staff report under Tab 2 at page 4, and Ms. Stickney agreed that the Health District is spending beyond its means, and that is why the District requested additional funding from the County. Dr. Iser stated that of the six positions currently open, we are eliminating 50% of those. Commissioner Jung stated that the Health Fund is still at a deficit. Commissioner Jung questioned Dr. Todd about the request for additional staffing and web-based solutions for Vital Statistics. Dr. Todd reported that Staff has reviewed and implemented online solutions (Vital Check). Dr. Todd plans to implement more online solutions as are practicable. There is a cost to those solutions, and that cost is borne by the consumer. It costs the consumer an additional \$10 to utilize the online services versus the in person services provided at the Health District. The staffing level in Vital Records has been the same for at least 15-20 years. Workload is directly related to the population, which has increased significantly in that same 15-20 years. The additional staffing would allow full service Monday through Friday from 8:00 am to 5:00 pm. This program generates positive revenue of approximately \$400,000, which has not returned into process improvements to benefit the customer. Technological improvements have compensated to date for increased capacity. Commissioner Jung requested that process improvements for Vital Records be agendized for a future Board. She suggested Vital Records should possibly be open 7 days a week (through the Clerk's Office). Dr. Todd clarified that the Health District does not set these fees; they are set by the State. Dr. Todd stated that the Clerk's Office option has been explored, and there are some legal barriers. Commissioner Jung requested a staff report on these issues.</p> <p>Commission Jung stated that the FY 14 Proposed Health Fund Budget projects an OFB of \$1.7 Million. Commissioner Jung questioned Ms. Stickney about the OFB in FY12, and Dr. Hess stated that pursuant to the Tentative State Doc, the EFB for FY 12 was \$3,916,042; and the projected EFB for FY13 is \$1,745,528. Commissioner Jung calculated that the FY 13 EFB is 10% of Expenditures. Commissioner Jung stated that the EFB for FY12 of \$3,916,042 is 24% of Expenditures. Commissioner Jung stated that the State requires an EFB of 4%; the County's policy is an EFB of 8%. Twenty-five (25%) percent of an EFB is not fair to our end users. A "Best Practice" is 8-12% EFT to Expenditures. That higher level EFB demonstrates a lack of need when it comes to General Fund Transfer, but also demonstrates that we are holding funds when we could be delivering services.</p> <p>Ms. Stickney stated that in her discussions with Finance, a 3% EFB to Expenditures is a more prudent policy with the benefit of the County support. Dr. Hess stated that since the General Fund only represents a portion of the Health Fund revenues, he does not believe a 3% EFB is wise. He would like to see one to two month's operating expenses represented in the EFB. Commissioner Jung</p>	<p>percentages and funding reduction percentages over the last five years to the Board; and (2) Update Organizational Values statement to reflect a comment regarding serving as many end users as possible.</p>

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		<p>stated she is willing to have those discussions when Staff presents on "Best Practices" since it is not an action item on today's agenda.</p> <p>Dr. Hess also questioned how the Health Fund will deal with sequester. He believes it will greatly impact the Health District since almost half of the Health District's funding is provided through grants. Dr. Iser addressed the sequester issues and reported that updates will be given to the Board in budget amendments.</p> <p>There was discussion about staffing losses; how to deal with vacancies; and how that process has lead to increased EFB. Dr. Iser stated that it was his decision to hold positions open in order to be able to pay the CoCAP charge.</p> <p>Commissioner Jung stated that she has no specific direction for Staff at this point because she does not have the information necessary to make such direction. She believes another budget meeting is necessary because she does not want to present a budget at the BCC which is incorrect. Dr. Hess questioned if a tentative budget could be approved. Chairman Smith stated that the County Manager has stated to him that the full implementation of CoCAP in three years is not set in stone. He stated that we need to have discussions with Finance and see what can be determined about a longer term for implementation or a lesser CoCAP charge. We need to do some trimming, but with that in mind, we may have to call a special meeting.</p> <p>Ms. Pam Fine, Washoe County Finance Department, stated that the County will have its recommendations from the Finance Department before the next DBOH meeting on March 28. Finance makes their recommendation to the County Manager, and those numbers should be firm in time for your March 28 meeting.</p>	<p>Commissioner Jung moved, seconded by Dr. Hess, that the FY 14 Health Fund Budget be approved tentatively with negotiations to be conducted between the Health District and the Department of Finance, and that a balanced budget with modified numbers be brought back to the DBOH at a future date.</p> <p><u>MOTION CARRIED</u></p>
6.	Board Comment -- Limited to Announcements or Issues for Future Agendas	Future Agenda Items requested by Commissioner Jung -- (1) Ending Fund Balance Policy; (2) Staff report on Vital Records regarding provision of services and through the Clerk's office or other means to collect fees on Saturdays and Sundays; (3) Process Improvements in each division which have been undertaken to serve more end users with these cuts; (4) Update on Sequestration and how that affects the Health Fund Budget; (5) Update on any personnel changes; (6) Comments received from the Fee Workshop; (6) Report of pros and cons on combining divisions through attrition.	
7.	Emergency Items	None.	
8.	Public Comment	No public comment was presented.	

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9.	Motion to Adjourn	There being no further business to come before the Board, the meeting was adjourned.	<p>Commissioner Jung, moved, seconded by Dr. Humphreys, that the meeting be adjourned.</p> <p><u>MOTION CARRIED</u></p> <p>The meeting was adjourned at 2:47 p.m.</p>



KEVIN DICK, INTERIM DISTRICT HEALTH OFFICER



PEGGY F. O'NEILL,
RECORDING SECRETARY