

MARICOPA COUNTY BOARD OF HEALTH MEETING MINUTES

Finance Committee

Friday, February 2, 2018 at 1:00 pm

205 W. Jefferson Street

Phoenix, Arizona 85003

Board of Supervisors Auditorium

Vice President Hughes called the meeting to order at 1:00 p.m.

ROLL CALL:

Members Present:

Don Cassano

Robert MacMillan

Francisca Montoya (via phone)

Nedra Halley

Don Hughes

Members Absent:

Kip Steill

ACTION ITEMS:

1. Approval of BOH Finance Committee Minutes July 24, 2017:

Vice President Hughes asked for a motion to approve the minutes from the BOH Finance Committee Meeting held on July 24, 2017. Motion was made by Mr. MacMillan to approve the BOH minutes as presented. Motion was seconded by Mr. Cassano and the motion passed unanimously.

DISCUSSION ITEMS:

1. Public Health Finance Report

Mr. Scot Pitcairn

Fund 100 – General Fund

Through December, or one half of the year, Public Health has spent 49.6% of the General Fund allocation. Spending year to date is under budget by \$355,069. We had been over budget the prior two months, but have pulled back spending since that time. We also re-calendarized the administrative cost reallocations to the indirect cost pools to reflect two postings in June, which impacted our budget year-to-date.

For the month of December, the Epidemiology spending is over budget for the month by \$24,348. This is mostly due to having no staff vacancies even though the budget reflects a 7% vacancy rate. The same is true of Community Health Nursing (Child Immunization), STD Services, and TB Services, all of which are mandated services, and are experiencing no or few vacancies (two vacancies in the case of STD). These issues are addressed in our FY19 Over-Baseline budget request recently submitted to the Board of Supervisors and Budget Office.

The STD and TB programs are also seeing medical supplies and lab services costs exceeding budget year-to-date. Our budgets have not kept pace with the increasing medical costs. This is also addressed in our Over-Baseline budget request.

Fund 265 – Special Revenue Fund

From the Special Revenue Fund we have spent 49.8% of our expenditure budget as of the end of the 2ND quarter. Compared to budget year to date, actual expenditures are under budget a minimal \$5,412. Year-to-date personnel-related expenditures are 5.7% under budget, while Supplies expenditures are 33.0% over budget and Services expenditures are 22.9% under budget year-to-date.

Supplies expenditures are far in excess of budget year-to-date because of the front-loading of vaccine purchases for the Child Immunization program as well as the shifting of costs from the grant to fee fund in the Refugee program. The impact of reductions in the number of refugees admitted to the country as well as the drying up of the federal Refugee Medical Assistance Program funding have left almost no grant funding remaining for the Refugee program. AHCCCS reimbursements for refugee screenings comprise the funding for the Refugee fee fund. In addition, the cost of medical supplies and lab testing for the STD fee fund program has pushed this program well over budget.

Fee Fund revenues year-to-date are \$474,595, or 14.0%, higher than budget. Total revenues exceed total expenditures year-to-date by \$357,706, so the fund is structurally balanced.

Fund532 – General Fund

Through the first half of the year, the Grant Fund expenditures are \$3,013,085, or 13.4%, below budget. As mentioned above under Fee Fund, the Refugee grant is experiencing the largest reduction compared to budget. Total revenues year-to-date are nearly \$2.1 million over budget. \$1.2 million of this positive variance is in the Public Health Emergency Planning grants as a result of the \$1.288 million Zika grant being issued up front (advance grant) early on this fiscal year. In addition, the Deferred Revenue transaction, an accounting transaction to recognize revenue in the appropriate fiscal year, results in another \$1.2 million increase in revenue.

We have recently lost (or soon will lose) several grants. The largest of these is the Healthcare for the Homeless grant, which ended December 31st, a grant which had an award of \$3.1 million. The AHCCCS collections for that program amounting to about \$2 million will be expended over the coming year, which mostly will reimburse Circle the City for homeless care services. Circle the City is the organization that has been awarded the grant contract going forward. Another larger grant not being renewed is the federal Teen Pregnancy grant, with an award amount of \$750,000. The loss of over \$7 million of grants is not only affecting staff paid from those grants, but will also reduce the amount of indirect that can be collected to support PH administrative and County central costs. This will be addressed further in our discussion of the FY19 budget request.

Ms. Halley asked Public Health what the overall expenditures will be after all the adjustments are made. Mr. Pitcairn responded that the overall expenditures are \$12,094,552.00 and they expect to come in \$100,000.00 under that.

2. Environmental Services Finance Report

Mr. Gus Martinez

AGENCY 880 (County General Fund)

Agency 880 is reporting revenues 32% under the year to date (YTD) budget and expenditures 3% over the YTD budget through period 6 close FY18.

Revenues

Agency 880 is funded by the County General Fund subsidy. Environmental Services collects enforcement revenue from non-permitted activities. These fines are associated with violations of the Environmental Health Code by persons and organizations not subject to obtaining a permit. Agency revenue through period 6 FY18 is currently at \$9,995 which is 32% or \$4,685 under YTD budget.

Expenditures

The Environmental Services General Fund Agency is reporting expenditures 3% or \$79,592 over YTD budget through Period 6 FY18. The amount is primarily attributed to a negative variance in supplies and services costs of \$88K.

The General Supplies and Service negative variance of \$88K due to an over active mosquito season we experienced in the fall of 2017. During the season Vector Control recorded a 6 fold increase in positive mosquitos' samples from the previous year. As a result, the department purchased additional unbudgeted adulticide to treat the additional areas where positive mosquitos were found.

AGENCY 881 (County Grant Fund)

Agency 881 is reporting revenues 46% under the year to date (YTD) budget and expenditures 54% under the YTD budget through Period 6 FY18.

Grant Funds

Agency 881 is a grant from the Food and Drug Administration Department of Health and Human Services. Environmental Services was awarded the grant on September 10, 2015 in the amount of \$67,198 for FY18. The grant was approved by the Board of Supervisors on October 21, 2015. The purpose of the grant is to advance conformance with the voluntary national retail food regulatory program standards. This grant will serve in assessing foodborne illness risk factors in Maricopa County and also provide permitted food operations with educational strategies to reduce the occurrence of foodborne illness risk factors. In Year 3, Environmental Services is providing education to all Environmental Health staff for implementing Active Managerial Control (AMC) principles during their inspections and train the operators to do the same (Train the trainer). This training is based on the results of the survey conducted in Year 1. Also, MCESD will develop an AMC Toolbox, consisting of guidance documents, templates, logs, videos, and handouts on policies, training, and verification.

These materials will emphasize the shift to a population that learns through the oral and visual delivery of information. Access to these materials will be streamlined via inspection reports, website design, and other mobile platforms. AMC will be further incentivized by increasing public awareness of the Department's voluntary AMC program: the "Cutting Edge Food Safety Partnership." Our Department will develop media to showcase Cutting Edge Program participants.

The grant was approved by the Board of Supervisors on October 21, 2015 and the department has submitted a reimbursement for the 2nd Qtr. FY18 expenses, however the disbursement will not show until the 3rd Qtr. FY18 balancing our expenses within this fund.

Expenditures

The Environmental Services Grant Fund Agency is reporting expenditures 54% or \$22,519 under YTD budget through Period 6 FY18.

AGENCY 883 (Environmental Fee Fund)

The Environmental Services Agency is reporting revenues 8% over the YTD budget and expenditures 7% under the YTD budget through Period 6 FY18.

Revenues

Agency 883 is funded by permit, fee and fine revenue. Agency revenue through Period 6 FY18 finished at \$10,867,492, which is 8% or \$835,275 over YTD budget.

Pool, food permitting, and environmental plan review are all experiencing a higher than average permit and plan review submittals resulting in 706K above budgeted revenue. This is primarily due to dormant construction projects that are now being revitalized with the ever improving economy. As plan review in both Water and Waste division and Environmental Health continue to rise, so do the number of permits being added, resulting in more than 117K in unanticipated permit revenue.

Expenditures

Expenditures through Period 6 FY18 are 7% or \$692,820 under the YTD budget. This positive variance is primarily made up of a personnel services variance of \$127K, 38K in General Supplies, and non-recurring expenditures variance of \$427K.

The positive variance for Personnel Services of 127K is due to high turnover the department has experienced this year.

The positive variance of 427K for non-recurring expenditures consists of our vehicle and technology orders that have been placed but the department has yet to be billed for. We anticipate that this variance will close by end of FY 18 Qtr. 3.

Adjournment

There being no further business, motion was made by Ms. Halley to adjourn the meeting. The motion was seconded by Mr. Cassano and the motion passed unanimously. Vice President Hughes adjourned the Finance meeting at 1:26 p.m.