

MARICOPA COUNTY BOARD OF HEALTH MEETING MINUTES

Finance Committee

Monday, July 23, 2018 at 2:30 pm

205 W. Jefferson Street

Phoenix, Arizona 85003

Board of Supervisors Auditorium

Vice President Hughes called the meeting to order at 2:31 p.m.

ROLL CALL:

Members Present:

Don Cassano

Robert MacMillan

Nedra Halley

Don Hughes

Members Absent:

ACTION ITEMS:

1. Approval of BOH Finance Committee Minutes April 23, 2018:

Vice President Hughes asked for a motion to approve the minutes from the BOH Finance Committee Meeting held on April 23, 2018. 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 June 12th period close, Public Health has spent 100.68% of the General Fund authorized budget, with a negative variance of \$85,067 in a budget of \$12.5 million. However, this is not the final June expenditure amount. In the June 13th period, the standard reallocation of 83% of the June administrative costs to the indirect cost pools will reduce the General Fund expenses by approximately \$330,000, bringing us into positive status. There are also a substantial number of June period invoices that have not posted as of the June 12th period, which will increase expenses. However, the net result will still be a positive variance by fiscal year-end.

For specific program budgets, the Epidemiology program is \$145,619 under budget year to date, but is right on target for payroll. A large share of the positive variance is from allocating the new Disease Control Division administrator position's pay to the Preparedness & Response grant, which was not originally budgeted. TB Control is \$147,246 over budget year to date due to very little vacancy savings and higher lab and medical supply costs. The vacancy rate and higher lab and medical supply costs are addressed in our FY19 budget request and the final approved budget recommendation. Likewise, the STD Control program is over budget by \$157,826, largely the result of higher lab and medical supply costs. The Financial Services program is over budget due to lower indirect collections, as we are losing several grants. We are holding two positions vacant here and more positions in other General Fund programs to help with this indirect shortfall. The largest positive variance in the General Fund is found in the Lab program due to lab fee collections exceeding budgeted amounts.

Fund 265 - Special Revenue Fund

From the Special Revenue Fund we have spent 91.4% of our expenditure budget as of the end of the June 12th period. Compared to budget, actual expenditures year to date are under budget by \$655,706, or 8.6%. Fee revenues year to date exceed budget by \$715,029 or 9.8%, and revenues exceed expenditures by \$1,017,735. Despite the many issues with the State's new DAVE system, the Vital Registration Office fee collections exceed budget year to date by \$749,909, or 17.3%, and exceed expenditures by \$845,233. Last quarter's report noted that there is another pending concern that could affect our revenues wherein the State wanted us to cease providing billing services for our funeral home clients. However, the State has not responded to our county attorney's counter argument, and at this point we are continuing with business as usual.

In our last quarterly report we noted that our Refugee program's expenditures exceeded budget by \$250,136 and exceed revenues by \$196,973. However, the Board of Supervisors has since approved our request to revise our budget. As a result, the program's expenditures are now \$130,820 under budget. Revenues are still short of budget by \$269,750, however. As stated previously, the White House administration has restricted the number of refugees entering the country, and, in addition, the State agency that administers the Refugee Medical Assistance Program (RMAP) is requiring that all claims for medical screening reimbursement be billed to AHCCCS first before requesting RMAP funding. This has resulted in our grant for RMAP fees going from \$1.8 million two years ago to almost nothing this year. All of the AHCCCS collections for refugee services flow through the fee fund, which explains why expenses have increased so dramatically. Most Refugee program staff have been shifted to the fee fund.

The STD fee fund has experienced substantial growth in revenues and expenditures this year. This budget was also increased by BOS approval, so expenditures are now slightly under budget. The growth in fee revenue have not quite kept up with expenditures, however, with a 10.7% negative variance actuals to budget. The main factor in the increase in expenditures is the increase in lab and medical supplies as well as shifting more of these costs from the General Fund to the Fee Fund.

Fund 532 – Grant Fund

Through the June 12th month period, the Grant Fund expenditures are \$5,199,154, or 11.6%, below budget. Revenues exceed actual expenditures, so the fund is structurally balanced. As mentioned above under the Fee Fund, the Refugee grant has experienced the largest reduction compared to budget with the drying up of the federal RMAP funding. Expenditures for the WIC grant are \$698,936, or 7.5% below budget through the 12th period. The unit funded by the State's Tobacco Education and Smoke-Free Compliance grant is \$803,466, or 19.7% below budget for year to date expenditures, due to unspent carryover funds and pending sub recipient payments spilling into next fiscal year.

We have recently lost 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 \$1.9 million, are extending into early FY19, so the loss of funding this year is not as dramatic as it will be for FY19. This funding has been spent on wind-down costs as well as to 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 that was scheduled to terminate at the end of June, the \$750,000 federal Teen Pregnancy grant, has now been restored for at least FY19, and possibly FY20. All of the staff paid from this grant were terminated, so mostly temporary positions will be used for next year. The loss of about \$6 million of grants has not only affected staff paid from those grants, but will also reduce the amount of indirect that can be collected to support PH administrative and County central service costs. This factor was a major issue in our FY19 budget request and subsequent approved budget.

2. Environmental Services Finance Report

Mr. Gus Martinez

FUND 100 – County General Fund

Agency 880 is reporting **revenues 54% over** the year to date (YTD) budget and **expenditures 6% under** the YTD budget through period 12 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 12 FY18 is currently at \$34,151 which is **54% or \$11,930 over** YTD budget.

Expenditures

The Environmental Services General Fund Agency is reporting **expenditures 6% or \$265,918 under** YTD budget through period 12 FY18. The amount is primarily attributed to a positive variance in supplies and services costs of **\$162K, 82K** in non-operating costs, and **\$20K** in personnel savings.

The General Supplies and Service positive variance of \$162K due to extra grant funds that were received from Public Health to purchase our spring chemical order.

FUND 505 – County Grant Fund

Agency 881 is reporting **revenues 6% under** the year to date (YTD) budget and **expenditures 7% under** the YTD budget through Period 12 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. 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 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 4th Qtr. FY18 expenses, however the disbursement will not show until the year end close. FY18 balancing our expenses within this fund.

Expenditures

The Environmental Services Grant Fund Agency is reporting **expenditures 46% or \$29,193 under** YTD budget through Period 12 FY18.

FUND 506 – Environmental Fee Fund

The Environmental Services Agency is reporting **revenues 8% over** the YTD budget and **expenditures 1% under** the YTD budget through Period 12 FY18.

Revenues

Agency 883 is funded by permit fee and fine revenue. Agency revenue through Period 12 FY18 finished at \$21,980,628, which is **9% or \$1,632,324 over** YTD budget.

Pool, food permitting, and environmental plan review are all experiencing a higher than average permit and plan review submittals resulting in **\$1.2M** 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 Division continue to rise, so do the number of permits being added. Resulting in more than **400K** in unanticipated permit revenue.

Expenditures

Expenditures through period 12 FY18 are **3% or \$630,117 under** the YTD budget. This positive variance is primarily made up of a non-operating supplies and services from OET in the amount of **\$513K**.

Adjournment

There being no further business, motion was made by Mr. MacMillan to adjourn the meeting. The motion was seconded by Mr. Cassano and the motion passed unanimously. Vice President Hughes adjourned the Finance meeting at 2:49 p.m.