

WASHOE COUNTY DISTRICT BOARD OF HEALTH
BUDGET MEETING
April 10, 2009

BOARD MEMBERS PRESENT: Denis Humphreys, OD, Chairman; Mr. Matt Smith, Vice Chairman; George Furman, MD; Commissioner Kitty Jung; Amy Khan, MD; and Councilwoman Julia Ratti (arrived at 1:10pm)

ABSENT: Councilman Dan Gustin

STAFF: Dr. Mary Anderson, District Health Officer; Eileen Coulombe, Administrative Health Services Officer; Bob Sack, Director, Environmental Health Services; Dr. Randall Todd, Director, Epi and Public Health Preparedness; Mary-Ann Brown, Director, Community and Clinical Health Services; Patsy Buxton, Fiscal Compliance Officer; Lori Cooke, Fiscal Compliance Officer; Noel Bonderson, Air Quality Supervisor; Steve Fisher, Department Computer Application Specialist; Jeanne Rucker, Environmental Health Specialist Supervisor; Bev Bayan, WIC Program Manager; Candy Hunter, Public Health Nursing Supervisor; Stacy Hardie, Public Health Nursing Supervisor; Steve Kutz, Public Health Nursing Supervisor; Jennifer Stoll-Hadayia, Public Health Program Manager; Pam Carlson, Clinical Officer Supervisor; Judy Davis, Public Information Officer; Janet Smith, Recording Secretary and Leslie Admirand, Deputy District Attorney

At 1:05pm Chairman Humphreys called the Washoe County District Board of Health special budget meeting to order, followed by the Pledge of Allegiance led by Dr. Amy Khan, District Board of Health member.

ROLL CALL

Roll call was taken and a quorum noted. Mrs. Janet Smith, Recording Secretary, advised that Mr. Gustin is excused.

PUBLIC COMMENT

No public comment was presented.

APPROVAL/DELETIONS – AGENDA – APRIL 9, 2009

Chairman Humphreys called for approval of the agenda of the Washoe County District Board of Health Special Budget Meeting of April 9, 2009.

MOTION: Mr. Smith moved, seconded by Ms. Jung, that the District Board of Health agenda for the April 9, 2009 special budget meeting be approved as presented.

Motion carried unanimously.

PRESENTATION – APPROVAL/AMENDMENTS – PROPOSED FISCAL YEAR 09/10 WASHOE COUNTY HEALTH DISTRICT BUDGET

Chairman Humphreys stated the Board and Staff has been discussing the budget and related issues since the Strategic Planning Session in October; that he appreciates the work Staff has done in preparing the proposed budget document to enable the Board “to make informed decisions.” Chairman Humphreys stated that the Board will have to make decisions addressing the proposed budget and the funds available to the Department.

Dr. Mary Anderson, District Health Officer, advised that in accordance with the Interlocal Agreement, on Tuesday, April 7, 2009, Staff met with Mr. Randy Mellinger, Assistant City Manager for Sparks; Ms. Jill Olsen, Interim Finance Director for Reno; Ms. Katy Simon, Washoe County Manager and Mr. John Sherman, Finance Director, Washoe County to review the Health District’s proposed FY 10 budget. Dr. Anderson stated it was the consensus of the Managers that the Health Department should continue to review “the mandates and the levels of service within those mandates.” Dr. Anderson advised that the County requested Staff provide a Department Organizational Chart to the Board of County Commissioners during the budget presentation; that the Health Department’s budget will be presented to the Board of County Commissioners on Monday, April 20, 2009. Dr. Anderson stated that she will further provide “some impact information embedded in the Organizational Chart.”

Dr. Anderson presented an overview of the Department’s Organizational Chart (a copy of which was placed on file for the record), dated April 10, 2009, delineating the “Color Key” associated with the filled, vacant, incentive pending, etc. positions within each Division of the Department. Dr. Anderson stated that this chart provides “a visual representation of the impact to the organization as a whole.” Dr. Anderson stated that within the Epidemiology and Public Health Preparedness Division there is a vacant Public Health Emergency Response Coordinator position, which is grant-funded; that the position has been authorized and Staff is the in process of attempting to fill that

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position. Dr. Anderson stated that she would request comments from the Board regarding “whether the color-coded organizational chart is valuable and shows the impact.” Dr. Anderson advised that currently the Health Department has nineteen (19) vacancies with fourteen (14) incentive separations pending.

In response to Ms. Ratti regarding the Health Department’s vacancy percentage, Ms. Eileen Coulombe, Administrative Health Services Officer, advised that there are 188 approved positions, of which 172 are Full-time FTEs and 16 part-time FTEs with numerous intermittent and per diem positions. Ms. Coulombe advised that, with the current nineteen (19) vacancies and fourteen (14) pending separations, for a total of thirty-three (33) positions, the Department’s vacancy percentage is 18% department-wide with varying rates among the Divisions.

In response to Ms. Jung regarding increasing the Department’s “time at the Board of County Commissioners”, Dr. Anderson stated that it is her intent to present the chart as background information”; that it would require “too much of the time available” to review the Organizational Chart for the Board of Commissioners.”

Ms. Jung stated that she would suggest Dr. Anderson present the Department’s “overall vacancy rate and the vacancy rate within each Division” within the Organizational Chart to provide a more precise impact. Ms. Jung stated that this would provide the County Commissioners with a comparison with the other Departments.

Dr. Anderson stated that she can include the percentages within her budget presentation. Mr. Smith recommended that on each page the number of vacancies and pending incentives be included.

In response to Mr. Smith, Dr. Anderson advised she will reformat the page to display that information.

Dr. Furman stated that he acknowledges that vacancies have saved the Department money; however, his concern is with the number of vacancies and incentive separations the Health Department Staff will have “difficulty in providing the mandated services.” Dr. Furman advised that this is of “real concern”; that the focus has been positions and not programs. Dr. Furman stated that in discussions with seniors he has been advised that “their concerns are food quality, *Salmonella* outbreaks, etc.”; that it is not possible to anticipate that the cost-savings from vacancies

will be sufficient to maintain the Department's budget. Dr. Furman stated that the Board has discussed necessary prioritizations.

In response to Dr. Furman, Dr. Anderson advised that Staff will be addressing these concerns during the presentation. Dr. Anderson advised that the Division Directors have reviewed and discussed the vacancies acknowledging that the cost-savings from the vacant positions will not be sufficient to balance the Department's budget. Dr. Anderson advised the Division Directors did discuss "that the cost-savings from vacancies will not be sufficient to provide the level of service necessary to protect the community and comply with the mandates and conduct daily business." Dr. Anderson stated that she and the Division Directors have developed a prioritization list of positions recommended to be filled. Dr. Anderson stated that with a sum total of nineteen (19) existing vacancies and fourteen (14) potential vacancies through incentive separations, it will be necessary to utilize a portion of the cost-savings to fill positions. Dr. Anderson stated that when the incentives become more definite it may be necessary to reprioritize which positions should be filled and "how that will be managed." Dr. Anderson stated "it is recognized that the Department cannot continue to sustain vacancies and have that be the only way to make-up budget shortfalls."

Mr. Smith questioned whether there is a policy which stipulates that if an employee accepts the incentive separation the position cannot be filled for two (2) years; that further, whether the Division Directors are aware he/she has the authority to make the determination to deny a request based upon not being able to refill the position.

In response to Mr. Smith, Dr. Anderson advised that during the initial offers of incentive separation negotiations the stipulation was the position(s) would have to be held vacant for two and one-half (2.5) to three (3) years; however, there have been additional discussions in which some of the incentive positions can be 'brokered'. Dr. Anderson stated that 'brokered' positions are those in which the request for incentive separation was approved with the stipulation that "that position would be refilled" due to the uniqueness of the position. Dr. Anderson stated that Staff will be meeting with the Human Resources Department to discuss 'brokering' one (1) of the requests for separation acknowledging other positions "would have to be held dark to accommodate the brokered position, which has to be filled." In response to Mr. Smith regarding the positions requesting incentive separation, Dr. Anderson advised that during the initial phase there were twenty-four (24) requests for incentive separation, one (1) of which withdrew. Dr. Anderson stated that during the initial phase of requests, due to the mandate requiring the positions to be held dark for the two and a half (2.5) to three (3) years, only six (6) requests received approval. Dr. Anderson advised that when it was determined additional incentive separations were necessary, an additional eight (8) incentive requests were considered; that "a couple of these positions will be

brokered.” Dr. Anderson advised that the one (1) position in EHS, which will be vacant “as of tomorrow”, will be down-graded to a lower classification, which will result in cost-savings.

Mr. Smith stated that he would question the cost-savings, as there is the “up-front buy-out costs”, with the two and one-half (2.5) to three (3) years of “holding the position dark” being the equivalent to paying for the cost of that position. Mr. Smith stated that at the end of the three (3) year period the position can be filled providing there is funding for the position.

In response to Mr. Smith, Ms. Coulombe advised that “during round two (2) there were concessions from the various bargaining associations; therefore, some of those costs are embedded; therefore, in regard to terms of the specifics of the incentives costs, those details are not in the presentation. Ms. Coulombe advised that the Board members have been provided with an overview of positions that are vacant or potentially vacant; that the list includes positions which are to be abolished; those which are to be held dark; and those noted as “RTF/Hold”, which indicates there will be a request to fill the position; however, the effort will be to fill the position internally; that a position, which becomes vacant, due to an employee accepting a RTF position, would then remain vacant to “balance.” Ms. Coulombe advised that throughout the County, there are employees “who could bump back” to previously held positions; that Staff has ensured there are funds to “absorb those different adjustments.” Ms. Coulombe advised the position, to which Dr. Anderson referred, is in Environmental Health and pertains to an “Office Support Specialist (OSS)” position, which will be reclassified to an “Office Assistant II (OAll)” position. Ms. Coulombe advised that a second OAll Staff member will be leaving and that OAll position will “be held dark”; that “it is a complex process.” Ms. Coulombe stated that some internal recruitments may be specific to the Health Department, while other position recruitments (i.e., an OSS) position could result in a countywide recruitment.

Dr. Anderson stated, that as Ms. Coulombe advised, it “is a complex, interwoven scenario among, not only the Health Department, but potentially throughout other Departments of the County incurring layoffs.” Dr. Anderson stated that Staff can adjust this document as necessary and report back to the Board as to the effects to the Department. Dr. Anderson stated she would “re-emphasize that the benefits of the structural review effort(s)”, through the Structural Review Team (SRT), are now being observed. Dr. Anderson stated that “some of the positions, which were identified for down-grading or abolishment, are contained within this grouping”; that had it not been for that process, Staff might still be “struggling as to how to go about this”; that the Health Department had the “year to year and a half” to review this information “in considerable detail.” In response to Ms. Ratti regarding the incentive separations, Dr. Anderson advised that the incentive separation dates vary as employees have requested ‘separation’ on different days; that Human Resources is processing the requests based upon an individual’s last day of employment.

In response to Ms. Ratti, Ms. Coulombe advised that the last date in which an incentive separation application could be submitted was March 30, 2009, to allow the Finance Department to review the requests; that HR is in the process of reviewing those requests. Ms. Coulombe stated that the County will review the number of countywide requests received; that there is a public workshop on May 18, 2009, to review the Budget. Ms. Coulombe advised that, after the public workshop, the County will make the determination as to whether it will be necessary to "lay people off"; that is when it may be possible some positions will be brokered. Ms. Coulombe stated that, should a 'brokered position' fit within a department's 'budget reduction target' those employees would then be placed.

Dr. Anderson stated that the "drop dead date for requesting an incentive separation has passed"; however, individuals, who have requested an incentive, can make their own final determination "up until the time it would be necessary to sign the papers." Dr. Anderson stated, therefore, the requested incentive separations are not definite until the employees sign the papers.

Dr. Anderson thanked the Board members for the suggestions for the budget presentation to the Board of County Commissioners, advising that she will incorporate those into her presentation.

PRESENTATION – APPROVAL/AMENDMENTS – PROPOSED FISCAL YEAR 09/10 WASHOE COUNTY HEALTH DISTRICT BUDGET

Ms. Coulombe stated that she would commend the Department's Finance Team, the Division Directors and Program Managers for the efforts in reviewing and developing the proposed budget; that this is a "line item by line item" process; that the input and expertise is much appreciated.

Ms. Coulombe advised that Staff recommends the Board approve the attached Fiscal Year 09/10 proposed budget, with revenues budgeted at \$9,394,116, a general fund transfer of \$8,795,500, and expenditures at \$20,359,795, providing direction to Staff to adjust expenditures to achieve a balanced budget, as currently revenues are not sufficient to "meet already adjusted service levels." Ms. Coulombe advised that Dr. Anderson referenced the Interlocal Agreement, which mandates the budgeting process with the County. Ms. Coulombe advised that the Health District is a "special revenue fund as set forth in Nevada Revised Statute (NRS) 354.570"; that a 'special revenue fund' indicates a fund, which is an "account for a specific revenue source, which is restricted by law for specified purposes." Ms. Coulombe advised that, as the Health District complies with the definition, the County will establish a transfer for the Department as a component "of the revenue

balancing.” Ms. Coulombe advised that it is the Board of Health, which establishes the policy regarding how the revenues are to be expended.

Ms. Coulombe advised that Dr. Anderson is scheduled to provide an overview of the Health District’s proposed budget to the Board of County Commissioner on Monday, April 20, 2009, at 10:40 am during a ten (10) minute presentation. Ms. Coulombe advised that any recommendations for revision(s), adjustments to the revenue source, etc. will be presented to the District Board of Health.

Ms. Coulombe advised that the County will no longer be utilizing the “base budget” concept and will be implementing “funding levels” utilizing a “tiered approach.” Ms. Coulombe advised that the Health Department is in the “88% funding level”, representing a 12% reduction of \$1,152,000; that “this is embedded in the document.” Ms. Coulombe advised that the budget request “does anticipate” that it will be necessary to utilize a portion of the Department’s “ending fund balance from FY 09 as a resource for next year.” Ms. Coulombe stated that Staff will work with the Finance Department to determine the Health Department’s ending fund balance; that the “low in Fiscal Year 06 was \$3,000 and there have been years which were higher (i.e., \$149,000/150,000).” Ms. Coulombe advised that the amount “for balancing the State Doc for submitting a balanced budget has to be a positive number.” Ms. Coulombe stated that the County has a policy of “utilizing a 7-9% Ending Fund Balance level translating to Health utilizing a 7-9%, which would be \$1.2 million and would not be reasonable at this point in time.” Ms. Coulombe advised that it is necessary to develop a “reasonable number”; however, this “is a pending item; that Staff is requesting the Board’s input on programs first.”

Ms. Coulombe advised that expenditures for “all vacant positions have been included and are funded at entry level salaries and benefits; that the expenditures are not reflected for any of the incentives.” Ms. Coulombe advised one (1) Staff member has left; that the costs associated with that incentive is approximately \$30,000, which will be a portion of “the entire mix.”

Ms. Coulombe provided an orientation to the FY 2009 – 2010 Budget Book, advising that Tab 1 contains the Health Department’s updated *Mission* and *Vision* statements; that Tab 2 is the tentative “State Doc”; that grant funding was included at a “status quo” level unless Staff is otherwise advised. Ms. Coulombe advised that Tab 3 delineates the mandated matrix; that “3s” note the legally mandated programs; that “2s” are the core functions of public health; and “1s” are the strategic goals identified by the Board of Health. Ms. Coulombe advised that salaries and positions were deleted from the document to allow focus on the mandates. Ms. Coulombe advised that Tab 4 is the Department’s Organizational Chart of all departmental positions, with the

Optimization Organization as the complementing document. Ms. Coulombe advised that Tab 5 lists the names of all Staff and their positions; that Tab 6 delineates the divisional performance measures; that Tab 7 delineates the performance measures by various programs; that Tab 8 delineates the budget line items. Ms. Coulombe presented a brief overview of the budget line items.

Ms. Coulombe advised that the Board members have been provided with supplemental information, delineating two (2) options ~ Option A and Option B; that Staff is not recommending either one of these options. Ms. Coulombe reviewed Enclosures I – III in detail. Ms. Coulombe advised that the Ending Fund Balance (EFB) of \$1,140,915 for FY 09 (as delineated in Option A) will be the beginning operational funding for the Opening Fund Balance for FY 10. In response to Dr. Khan regarding the \$350,000 in Vector funds, Ms. Coulombe advised that the \$350,000 is the amount embedded in the General Fund Transfer from the County based upon the one-half cent tax; however, the Health District “has to request that” funding. Ms. Coulombe stated that, as delineated in Option A, the General Fund Transfer is \$8,795,500; that page two (2), the County General Fund column indicates a transfer of \$10,615,678; that the \$8,795,500 represents the amount “necessary to balance” after the anticipated revenues and expenditures are calculated. Ms. Coulombe advised that the \$350,000 “is not the District’s revenue source it is County’s”; that the calculation is “moving it from the District’s revenue to the County’s column.”

Ms. Coulombe stated that Enclosure II delineates a “Program Breakdown by Cost Center & Internal Order.”

Ms. Coulombe presented an overview of Enclosure IV “Option A”, advising that the ‘first block’ provides a complete budgetary overview of the ending fund balance for 08 and 09; estimates to complete; expenditures; the General Fund transfer; revenues, etc., and the Ending Fund Balance of (\$1,029,264) for FY 10. Ms. Coulombe advised that the amounts indicated are as of when the document was prepared; that FY 09 is not completed; therefore, the budget will incur further adjustments. Ms. Coulombe reviewed the information delineated in the ‘first block’ of “Option A”, advising that the budget cannot have a “negative Ending Fund Balance for FY 10.”

Ms. Coulombe advised that the ‘second block’ lists the nineteen (19) positions, which are currently vacant, delineating the position value, the savings subtotal by Division and the percentage of savings to the Department by Division. Ms. Coulombe advised that the total cost savings of \$1,355,196, achieved through these positions continuing to remain vacant, results in a positive Ending Fund Balance of \$325,932.

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Ms. Coulombe advised that Enclosure V is an overview of 'Option "B"; that all the information in the 'first block' is the same information delineated in "Option A", again indicating a negative Ending Fund Balance for FY10. Ms. Coulombe advised that the prioritization of positions, as previously discussed, is delineated in the 'second block'; that to fund the prioritized positions would cost an additional \$491,367, while current vacancies will continue to remain vacant. Ms. Coulombe advised that 'Option B' results in a revised negative Ending Fund Balance of (\$165,435) for FY 10; therefore, it will be necessary to implement adjustments.

Ms. Ratti stated that the first group of positions are categorized as priorities and indicated as 3s for "program weight"; that some of the positions listed below those classified as a prioritized position are also 3s in "program weight." Ms. Ratti stated that the far right column indicates the prioritization Staff assigned to those positions; that she would question if "there is a difference of opinion of the 3s and what the Division Directors determined the prioritizations are."

In response to Ms. Ratti, Ms. Coulombe advised that during the last Board meeting Staff presented a matrix of positions, which were prioritized "zero through eighteen (18)"; that the numbers in the "Prioritization per DHO/DDs" represent those numbers. Ms. Coulombe advised that in the interim of determining the prioritization listed in Enclosure V, the District Health Officer and the Division Directors have further reviewed these positions to determine the current priority of these positions and which ones can continue "to be held dark." Ms. Coulombe stated that, should all of the incentive separations occur and vacancies remain vacant, the Ending Fund Balance would be "a positive number; however, as Dr. Anderson advised, until employees execute the incentive(s)" the money savings cannot be "counted for the budget."

Dr. Khan stated that, as Dr. Furman has referenced, the concern is maintaining the vacant positions "without any type of strategic approach." Dr. Khan stated 'Option A', while achieving the goal, "is not the best approach." Dr. Khan stated that, acknowledging 'Option B' would have to be finalized, "in selecting the first eight (8) priorities as determined by the District Health Officer and the Division Directors" would "be pretty close to achieving the \$1 million goal."

In response to Dr. Khan, Ms. Coulombe advised that the document presented to the Board "Positions Vacant or Potentially Vacant", dated April 9, 2009, was provided to the Board members (a copy of which was placed on file for the record), in "anticipation of the Board members choosing 'Option B.' Ms. Coulombe reviewed the various positions, which are currently vacant, advising the Board as to which positions could continue to be held vacant and the updated prioritization as determined by the District Health Officer and Division Directors. Ms. Coulombe stated that through continuing to hold these positions vacant and abolishing the positions as noted would result in the

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following cost savings for the Department: in Administration - \$362,654; in Air Quality - \$104,234; in Community and Clinical Health Services - \$283,878; in Environmental Health Services - \$251,062; and in Epidemiology and Public Health Preparedness - \$93,289. Ms. Coulombe advised that 'Option A' would "hold all positions vacant for \$1 million"; that 'Option B' would include those as outlined for \$1,095,117 to apply back for an Ending Fund Balance of \$65,853." Ms. Coulombe advised that the \$65,853 would be a "positive number"; however, it would not be enough "for operations although it is a positive number."

Dr. Anderson advised that there are a total of thirty-three (33) positions, which includes the nineteen (19) current vacancies and the fourteen (14) incentive separations; that the fourteen (14) incentives are "the unknown in terms of finality." Dr. Anderson advised that the numbers listed indicate the vacancies and not the ranking of priority. Dr. Anderson stated that, as Staff has indicated, it will be necessary to re-prioritize position vacancies after the incentive separations are finalized.

Ms. Coulombe advised that there are fifteen (15) of the thirty-three (33) positions, which the Division Directors indicated "could be held dark" to achieve the \$1 million. In response to Mr. Smith regarding the "position values" of the prioritized positions listed in 'Option B', Dr. Anderson stated that the prioritization of the positions "is as of February." Dr. Anderson advised that the handout presented by Ms. Coulombe, dated April 9th provides an overview of all the vacant positions and potential vacancies due to incentive separations; however, these positions are not prioritized in this handout as it is unknown if all the incentives will occur. In response to Ms. Ratti regarding Staff's recommended position priorities and the incentive separations, Dr. Anderson advised that the Division Directors' "position prioritizations" may change due to incentive separations. In response to Ms. Ratti regarding the "Health Officer and Division Director position prioritizations", Dr. Anderson advised that there is the potential for these prioritizations to be revised due to incentive separations.

Ms. Ratti questioned if it would be necessary to accept 'Option A' maintaining all the vacancies vacant until such time as the incentive separations are "a known."

In response to Ms. Ratti, Dr. Anderson stated that that is not Staff's recommendation, as there are established budget calendar dates with which the Department must comply. Dr. Anderson stated that 'Option B' delineates seven (7) positions, as outlined, which the Division Directors have concurred are necessary for optimal departmental operations. In response to Ms. Ratti as to how those seven (7) positions were determined, Dr. Anderson advised that those prioritizations were

determined by herself and Division Directors, using program priorities and mandated "program weight."

In response to Dr. Khan regarding the rationale for listing priority #14 among the seven (7) high priority positions, Mr. Bob Sack, Director, Environmental Health Services, advised that the question posed was "What did each Division require to be filled, among the vacancies, to sustain operations?". Mr. Sack stated that those positions requested to fill from the existing vacancies are "those needed"; that #14 is listed among the seven (7) due to the potential of incentive separations among the Environmental Health Specialists. Mr. Sack advised, that utilizing the incentives, he will be attempting "to transfer those vacant positions to a program, which he is aware is sustainable"; therefore, #14 is a position, which "would need to be filled anticipating another vacancy to replace it." Mr. Sack stated that although there may be the perception of "trying to fill everything", this request is in anticipation of the incentives being finalized. Mr. Sack advised that "it is not the intent of the EHS Division to fill all of the vacancies." In response to Mr. Smith regarding the vacancies, Mr. Sack stated that Staff from all the various programs will be utilized to ensure compliance with mandates.

Dr. Humphreys stated that the intent is to "restructure where the vacancies exist, where vacancies could occur, and where positions should be filled."

Mr. Sack stated that the rationale for approving more incentive separation request was the efforts of the District Health Officer and the Division Directors to ensure vacancies will be in those programs in which vacancies can be sustained for "the longest period of time."

Ms. Ratti requested clarification as to a potential \$1 million budget deficit with the possibility of "adding back \$491,367 worth of positions."

In response to Ms. Ratti, Ms. Coulombe advised that the proposal is to reduce the \$20,359,795 in expenditures through maintaining "certain positions dark", as it is known that there will not be an increase in revenues. In response to Ms. Ratti regarding the Ending Fund Balance, Ms. Coulombe advised the Ending Fund Balance will be sufficient for the Open Fund Balance only; that the proposed budget will be "balanced with vacancies; that FY 10 may not have those vacancies." Ms. Coulombe advised that Staff does "not anticipate the financial situation" improving; that there is the possibility of additional reductions, either mid-year or for next year. Ms. Coulombe advised that Staff is not advocating either 'Option A or Option B'; that Staff is requesting direction from the

Board as to “where would the Board prefer the reductions” be achieved (i.e., programs, position, etc.).

Ms. Ratti stated she would concur with Staff and Dr. Khan that continuing to balance the budget through vacancies is not a viable option for sustaining program services. Ms. Ratti stated that ‘Option B’ achieves a better provision of services without totally addressing the dollar amounts necessary.

In response to Ms. Ratti, Ms. Coulombe advised that Staff is requesting direction from the Board as the proposed budget “has to be a positive amount; that, as she stated previously,” the Ending Fund Balance “has to be a reasonable” amount; that previously there has been “a range of \$3,000 - \$150,000”; that “\$200,000+” would be acceptable for next year. Ms. Coulombe advised that County Policy mandates a “7-9% reserve”; however, as a component of the County’s budgeting process the Health District can benefit from that requirement without being “held to it” as the Health District is classified “as a special fund.” Ms. Coulombe stated that to have to comply with the “7-9%” reserve requirement would require “\$1.2 – 1.8 million” of the Department’s operational budget.

Ms. Ratti stated that accepting ‘Option B’ would be a negative Ending Fund Balance of \$165,435; that Staff has indicated an optimal Ending Fund Balance of \$200,000+ requiring a total of \$365,435 in reductions to fund the prioritized positions and have a positive Ending Fund Balance.

In response to Dr. Khan regarding a possible “mechanism by which the County would allow for incremental reductions” in the budget, Ms. Coulombe advised that, as the Board is aware, the budget is a “dynamic document”; however, the amount to which the Department must balance “is already a given.” Ms. Coulombe advised that Staff must submit to the County a reduction to achieve that amount to allow the County to complete the budgeting process for the entire County. Ms. Coulombe stated that, as the Board was advised, it is possible the County could require further reductions to the Budget. Ms. Coulombe advised that the County has scheduled a public workshop in May for the tentative budget; that the tentative budget has to be finalized in June. Ms. Coulombe stated that currently the County has implemented a “vacancy freeze”; that there is an appeals process for vacant positions. Ms. Coulombe advised that with pending incentive separations, the County has acknowledged the necessity of “filling a higher level position”; that should a position be filled internally the position that the individual vacated would have to be held vacant. Ms. Coulombe stated that there is the potential throughout the year “to do adjustments” regarding the position prioritization.

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In response to Dr. Furman regarding "non-employee cost of operations remaining status quo", Ms. Coulombe advised that the financial amounts listed for expenditures "are the known amounts at this point in time." Ms. Coulombe advised that the Health Department has reduced operational costs by \$251,342, as delineated in Tab 2, page 3.

Mr. Smith stated that to maintain the mandated programs he would request the Board consider the following: accept 'Option B' to include the seven (7) position prioritizations as indicated; funding the Family Planning Program at the 90/10 funding split as previously discussed; reduce the Home Visiting Program by 50%. Mr. Smith questioned if these reductions would allow the Health Department to "have a healthy enough Ending Fund Balance." Mr. Smith stated that the Health Department must have the ability "to move forward"; that should the employees applying for incentive separation be approved, the Health Department "should be in a little better shape."

Ms. Mary-Ann Brown, Director, Community and Clinical Health Services, advised that, as vacancies in mandated programs occur she is transferring positions from non-mandated programs to the vacancies in the mandated programs. Ms. Brown stated that the nursing positions in the potential incentive separation(s) would be filled with nurses from the Home Visiting Nursing Program through an internal recruitment; therefore, the Nursing Staff in the Home Visiting Nursing Program would be reduced.

In response to Ms. Brown, Mr. Smith stated that he would concur with Ms. Brown's proposal as it would result in a reduction and not an increase in budget costs.

Ms. Brown advised that as noted in the organizational chart, it is her intention to "collapse a supervisory level position and abolish two (2) supervisory positions when those employees accept the incentive separation." Ms. Brown stated that, while the incentive separations are not a certainty, there are dates in May, which the employees have identified, as their dates of separation. Ms. Brown stated that it would be her preference to not reduce those programs in advance, which provide services to clients; that "it would be helpful to work towards a fiscal target preserving client services as much as possible", reviewing efficiencies and organizational optimization rather than just positions." Ms. Brown stated that this would allow for some flexibility regarding clerical positions, which can be eliminated, and efficiencies that would allow for the retention of those positions which provide customer service.

Mr. Smith stated that "the funds are to balance the budget"; that "how" that is achieved through the reassignment of Staff and the implementation of efficiencies is the determination of management.

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Mr. Smith stated that he would recommend the retention of “50%” of the Home Visiting Nursing Program and the retention of the Family Planning Program with the 90/10 split per the grant as discussed.

Ms. Brown advised that Staff has reviewed the 90/10 budget split for the Family Planning Program; that the 10% “would be the fees collected”; that a 30% reduction in the anticipated amount of fees to be collected was incorporated into the budget; therefore, should the revenues (fees collected) remain at a 30% reduction “a 90/10 budget” equates to “no general fund transfer” for the Family Planning Program.

Mr. Smith stated that, according to his calculations, the fees collected plus the grant would provide the 90% total and the Health Department, through the tax transfer, would budget the 10% for the Family Planning Program. Mr. Smith stated that “that is additional monies” to assist the Program while “getting the budget to where it’s going to go.”

Ms. Brown stated that the Family Program would be required to achieve the 90/10 split while retaining the revenues collected; that the Department would retain a Home Visiting Nursing Program at a 50% reduction based upon incentive separations.

Mr. Smith stated that when the Board of Health Committee appointments are discussed he would request to be appointed to the Community and Clinical Health Services (CCHS) Committee with the opportunity to review the programs individually. Mr. Smith stated that “the Health Department can get a lot better at what it is doing.”

Ms. Brown stated that through the implementation of “the productivity piece” Staff achieved “the goal” in March of 12-15 visits per week and have achieved some efficiencies in the Home Visiting Program. Ms. Brown stated that, “in the future” she would suggest “a commitment from the Board of Health as to whether or not these programs are essential to public health and to the public health in the community” to ensure that when there are economic hardships “these programs aren’t the first” to be eliminated. Ms. Brown stated if it is the consensus that “these programs are imperative to the community” these programs must receive “some level of support”; that previously the discussion has been “mandated only.” Ms. Brown stated that other County Departments consider the mandated programs in conjunction with “community need” to achieve “a balance between mandated and non-mandated, as “what’s legally mandated doesn’t necessarily meet all of the needs of the community particularly from a public health prospective.”

Dr. Khan stated that, as discussed, the Board has had concerns regarding the “productivity, output, efficiencies, etc.” within programs regardless of whether the programs are “mandated or not” it is necessary to review efficiencies. Dr. Khan stated that the Board “has been very vocal about this” particularly regarding the Family Planning Program achieving the 90/10 split; that the Board “remains interested in modifications, changes in similar programs (i.e., Immunizations)”, in which improvements can be achieved regardless of the level of finance.

In response to Dr. Khan, Ms. Brown advised that CCHS Staff have implemented efficiencies in all programs, which have been a component of the “on-going reports she has presented to the Board”; that these include the scheduling of appointments in Immunizations, which has resulted in an improved ratio of “resources and demand.” Ms. Brown stated that it is “a known that it is 12 minutes per immunization”; that there “is more business emphasis on the work and programs being provided.” Ms. Brown stated that the CCHS Division is utilizing “units of service”; that, further, CCHS Staff has “scrutinized the non-labor budget” also to attain efficiencies in those areas; that Staff has applied those “general principles of business efficiencies throughout all of the programs.” Ms. Brown stated that the application of the general principles of business “is not the ‘norm’”; however, “a benefit of this crisis” is “looking to be good stewards, being more efficient and productive with the use of resources.”

In response to Ms. Brown, Dr. Khan stated that “it may not have been the ‘norm’ in the culture here”; however, “across the country there are sites from which” the Health Department can learn. Ms. Ratti stated that in her tenure on the Board she is aware of “this emphasis being placed on the CCHS Division”; that she would question “if the same level of ‘efficiencies and business demand’ has been required of all the other Divisions for mandated and non-mandated programs. Ms. Ratti stated that it is necessary to ensure the Health Department “is utilizing every dollar in every Division to the best it can possibly be used.”

In response to Ms. Ratti, Chairman Humphreys advised that during the Board’s Strategic Planning Retreat the Board “gave direction to every Division to review and enhance the efficiencies” and to work at the most effective level possible.

In response to Ms. Ratti, Ms. Coulombe advised all programs received the directive to achieve efficiencies within programs regardless of mandated or non-mandated status. Ms. Coulombe stated that presenting the budget programmatically (next year), would allow for each Division Director to review efficiencies in each program resulting in providing a more accurate overview of the Department and the Divisions. Ms. Coulombe stated that Staff could provide updates throughout the year as to the efficiencies achieved; that with the vacancies it will be necessary for

the Health Department to “be a smaller, more efficient, effective organization.” Ms. Coulombe stated that the mandates are known; that it is necessary to address the level of service provided by the Department; that Staff will continue to provide updates to the Board.

Ms. Coulombe advised that the proposed ending fund balance for FY 10 with “Option B” is “\$1,029,264 short”; that reducing Family Planning to a 10% general fund transfer would result in a savings of \$327,516; that a 50% reduction in the Home Visiting Program would result in a savings of \$398,535; that the cost of the twelve (12) vacant positions listed “below the line” would total \$863,829 equating to a difference of \$560,616, “allowing for adjustments.”

In response to Ms. Ratti regarding the revisions discussed for “Option B”, Ms. Coulombe advised implementation of the revisions discussed would result in the projected \$165,435 negative Ending Fund Balance for FY 10 becoming a positive Ending Fund Balance of \$560,616. In response to Ms. Ratti regarding “the appropriate Ending Fund Balance”, Ms. Coulombe stated that “at minimum” it would be necessary to have “\$200,000 ~ 300,000”; that it would be necessary to “work with Finance in determining those numbers; that there is a range; however, it needs to be a positive number.”

Ms. Ratti stated that her “inclination” would be to retain the ending fund balance at approximately \$300,000 and fund the Home Visiting Program an additional \$200,000.

Dr. Furman stated that mandated programs have been reviewed for efficiencies; that “he has personally” reviewed mandated programs; that he concurs it is necessary to continue to review mandated programs for efficiencies. Dr. Furman stated that Mr. Smith recommended providing 10% in general funds to the Family Planning Program; that the national standard provided to family planning programs from local governments is 4%; that in Region IX it is “only 2%.” Dr. Furman stated that the funding “has been quite liberal in some of the non-mandated programs;” that, again, he concurs it is necessary to review mandated programs for efficiencies; that the Board and Staff “have done a good job in that regard.”

Dr. Khan stated her recommendation would be to utilize that funding to address the priorities as presented by Staff and the District Health Officer and “include priorities 3, 4 and 5”, with the acknowledgement that pending incentive separations “may also help” the budget. Dr. Khan stated there is the concern that potential additional budget reductions could be necessary; therefore, she would recommend maintaining the ending fund balance at the higher level.

Ms. Coulombe stated that the Board's discussion is to fund the Family Planning Program at the 90/10 split; to reduce the funding for the Home Visiting Nursing Program by 50%; that Dr. Khan is recommending funding the Department Computer Application Specialist (DCAS) and the Administrative Secretary Supervisor position for Air Quality Management.

Ms. Ratti stated that regarding the 90/10 split for Family Planning is with the understanding the 10% would be from the general fund transfer and does not include the fees collected by the Family Planning Clinic.

In response to Ms. Ratti, Ms. Coulombe advised that the reduction in the Family Planning Program would be \$327,516 from the general fund transfer; that the Family Planning Program would retain the fees collected. Ms. Coulombe advised that the fees collected would be reduced with a reduction in staffing in this Program.

Ms. Ratti stated that, as discussed, the ending fund balance would be \$200,000 ~300,000; that there may be additional savings from the anticipated incentive separations for possibly adding positions back "as savings are realized."

Ms. Coulombe stated that the current "Option B" indicates a negative ending fund balance; that the direction of the Board is to retain the positions listed "above the line", with the addition of the Department Computer Application Specialist and the Administrative Secretary Supervisor in Air Quality Management, reducing the Family Planning Program to the 90/10 split and retaining "as much as possible" of the Home Visiting Program.

In response to Mr. Smith regarding the amounts, Ms. Patsy Buxton, Fiscal Compliance Officer, advised that based upon the Board's discussion, there would be approximately \$242,000 remaining for additional positions leaving an ending fund balance of \$200,000.

Chairman Humphreys stated that the Board has had numerous discussions regarding the Family Planning Program, including the transitioning of the Program to another agency. Chairman Humphreys stated that "with the economic times" and the indications that those agencies, which indicated an interest in assuming the Title X Family Planning Programs are addressing financial reductions also, in addition to the complexity of the legal parameters of transferring the Program, he would support retaining the Program with the recommended 90/10 split and "some efficiencies built in to the system." Chairman Humphreys stated that in December the Board discussed the

options of the Home Visiting Nursing Program and whether the Program would have to be eliminated or reduced. Chairman Humphreys stated the Board and Staff discussed the sustainability of the Home Visiting Nursing Program; that this issue has been addressed per the direction of the Board with the acknowledgement that “further budget considerations in the future” could result in additional revisions.

MOTION: Mr. Smith moved, seconded by Ms. Ratti, that the Board approve and adopt Budget “Option B”, funding the vacancies listed, including the Department Computer Application Specialist (DCAS) and the Administrative Secretary Supervisor position for Air Quality Management; that the Family Planning Program be funded with 90% grant funds and 10% from the general fund transfer; that funding for the Home Visiting Nursing Program would be reduced by 50% of the proposed funding.

Ms. Jung stated that she would anticipate discussion by the Board of County Commissioners regarding the proposed funding for the Family Planning Program; therefore, she would recommend Staff and members of the Board attend the BCC Budget meeting to answer questions the Commissioner may have, specifically any questions regarding the Family Planning Program.

Dr. Anderson stated that, in the limited time allotted each Department, she will address this in her budget presentation to the Board of County Commissioners; relying on Staff and the Board members for any additional expertise should it be necessary.

Ms. Jung stated that she would request Staff anticipate questions and respond “at the high level.”

Ms. Coulombe stated that to maintain the ending fund balance at \$200,000 would allow for the (possible) funding of additional positions or programs.

Ms. Ratti stated that she would support the additional funding for the Home Visiting Program.

In response to Mr. Smith regarding Staff “being comfortable with a \$200,000 ending fund balance”, Ms. Coulombe stated that the Board could consider a \$300,000 ending fund balance; that after the incentive separations are determined Staff would report to the Board regarding possibly funding positions or a smaller reduction to the Home Visiting Program.

Ms. Buxton advised that beginning with an ending fund balance of \$560,616 and funding the Department Computer Application Specialist at \$67,764; the Administrative Secretary Supervisor at \$50,212; that with the goal of an ending fund balance of approximately \$200,000 leaves a balance of approximately \$262,000 for redirect or a remaining ending fund balance of \$462,000.

Dr. Khan stated that there are other priorities, which remain unfunded and are mandated services, including the Senior Epidemiologist and the Emergency Medical Services Coordinator position; that any possible additional funding “after that” could be budgeted “back to the Home Visiting Nursing Program.” Dr. Khan stated that she would have more concern regarding “not funding epidemiology positions and public health preparedness positions, specifically during an era when those are of great concern.”

In response to Ms. Ratti regarding the amount of the ending fund balance should the Senior Epidemiologist and Emergency Medical Coordinator positions be included in the Board’s approval for funding, Ms. Buxton advised that would result in an ending fund balance of approximately \$258,000.

Ms. Ratti stated that “if the Board is comfortable” with a \$200,000 ending fund balance, the \$50,000+ would fund a Public Health Nurse position, who would be able to provide services to a number of clients.

In response to Ms. Ratti regarding Staff’s recommendation, Ms. Coulombe stated that she would recommend the Board retain the ending fund balance at \$258,000, with the focus of mandated program positions. Ms. Coulombe stated that, in response to Dr. Khan regarding the Emergency Medical Services Coordinator she is “filling that position currently”; that she would be willing to “keep this position dark” and continue to perform the duties of that position. Ms. Coulombe stated that Staff can finalize “what the Board has discussed” for Dr. Anderson’s presentation to the Board of County Commissioners. Ms. Coulombe advised that Staff will report back to the Board during the regularly scheduled April meeting.

Ms. Ratti stated that the prioritizations presented by Staff were determined approximately two (2) months ago; that she would question if this would be the most current prioritization. Ms. Ratti stated that the Board may consider allowing some flexibility in the motion allowing for the approval of Staff’s “top four (4) priorities.”

In response to Ms. Ratti, Chairman Humphreys stated that the Board has indicated a “target of an ending fund balance, providing funds with which to work”; that Staff will provide the “clarification on the prioritizations” to the Board at the April meeting.

In response to Ms. Ratti regarding the motion specifying positions, Mrs. Smith advised that the motion includes approval of the Department Computer Application Specialist (DCAS) position and the Administrative Secretary Supervisor position for Air Quality Management.

Ms. Ratti requested an amendment to the motion, whereby the Board would approve a \$258,000 ending fund balance; with a 90/10 split for the Family Planning Program; a 50% reduction in the Home Visiting Nursing Program; allowing Staff the flexibility to utilize the difference to recommend to the Board which positions should be filled.

Mr. Smith stated that he has no objections to the amendment to the motion, with the stipulation that the priority positions are in “mandated services.”

**MOTION: Mr. Smith moved, seconded by Ms. Ratti, that the Board approve and adopt Budget “Option B”, funding the vacancies listed sustaining a \$258,000 ending fund balance; that the Family Planning Program be funded with 90% grant funds and 10% from the general fund transfer; that funding for the Home Visiting Nursing Program be reduced by 50% of the proposed funding. It was further ordered that Staff review and prioritize positions in mandated programs for presentation to the Board at the April meeting.
Motion carried unanimously.**

Dr. Anderson stated that the proposed budget does not include any potential financial decisions based upon action by the State Legislature, specifically the Fund for a Healthy Nevada, which includes tobacco program funding. Dr. Anderson stated that, further, it is anticipated Nevada will receive additional monies in “317 Funds” for immunizations from the Federal Stimulus Package; that 317 Funds are specific to those who are uninsured; that the exact distribution of those funds to Washoe County is unknown; however, she anticipates “a positive impact” from those funds. Dr. Anderson stated that “there is a strong emphasis on improving the delivery of services in chronic disease prevention”; that it is not known if the Federal Stimulus Package will provide any funding for chronic disease prevention programs in Washoe County. Dr. Anderson stated that it is important the Board is aware “there are other fiscal driving factors, which may change the picture”; that Staff will continue to apprise the Board as changes occur.

Dr. Anderson stated that at the April meeting she will provide the Board members with a copy of the "*Recommendation on Budget Principles, Budget Balancing Strategies, and Evaluation Criteria*" from the Washoe County Budget Policy Committee, as a reference document. Dr. Anderson stated that the County has requested information specific to potential budget reductions and vacancies as to the effect on service levels to the public.


BOARD COMMENT

Chairman Humphreys read a letter of thanks into the record from the Food Bank of Northern Nevada regarding the Board approving the exemption to annual fees for the Food Bank's *Kids' Café* Program, advising that the permanent exemption will allow the Food Bank to serve an additional "2,000 free meals to hungry children every year."


Ms. Leslie Admirand, Deputy District Attorney, advised that Ms. Jung, in her capacity as a County Commissioner, will be present at the meeting of the Board of County Commissioners when the Health Department's budget is presented; therefore, she would caution the Board that no more than two (2) additional Board members attend the meeting to address the intent of the Nevada Open Meeting Law requirements.

The Board discussed allowing members to attend "public meetings" without violating the intent of the Nevada Open Meeting Law. In response to the Board regarding adhering to the requirements of the Nevada Open Meeting Law, Ms. Admirand advised that, should more than two (2) additional members attend, she would recommend no members sit in proximity to another member and no Board of Health business be discussed.

There being no further business to come before the Board, the meeting was adjourned at 3:10pm.



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



JANET SMITH
RECORDER