

CHAMPAIGN COUNTY BOARD OF HEALTH

Budget Committee Meeting Tuesday, March 17, 2009, 5:00 p.m.

Call to Order & Roll Call

The Budget Committee held a meeting on March 17, 2009 in Meeting Room 3 at the Brookens Administrative Center, 1776 East Washington, Urbana. The meeting was called to order at 5:00 p.m. by John Peterson. Stan James and John Peterson were present at the time of roll call, making all Budget Committee members present and accounted for. Other Board of Health members present were Julian Rappaport, Cherryl Ramirez, Bobbi Scholze, Betty Segal. Also present were Kat Bork (Board of Health Secretary), Deb Busey (County Administrator of Finance & HR Management), Julie Pryde (CUPHD Administrator), and Andrea Wallace (CUPHD Finance Director).

Approval of Agenda/Addendum

MOTION by James to approve the agenda; seconded by Peterson. **Motion carried.**

Public Participation

There was no public participation.

FY2009 Board of Health Budget Status

Peterson said the Budget Committee was meeting because the Board of Health was told that the IMRF issue would hit CUPHD. He asked Busey to provide information about property tax projections. Busey had a presentation about future budget projections, so she suggested the committee begin with look at the FY2009 with CUPHD. James asked if IMRF would affect the Board of Health's budget this year. Wallace said CUPHD's IMRF rate increased at the beginning of 2009 and the rate is effective for the calendar year. Some of this expense will be passed onto the Board of Health. Busey noted that CUPHD should have known the IMRF rate by the time they were putting the FY2009 budget proposal for the Board of Health together. Wallace confirmed they did have the IMRF information and the larger change will be seen in FY2010.

Wallace distributed a spreadsheet of mobile unit clients seen in FY2008 to give the committee some perspective on how the mobile unit is performing. James asked for a breakdown of the number of people seen for services versus the cost of providing those services, per quarter. He wanted to see how much the Board of Health spent per person for the mobile unit and a synopsis of services provided. Wallace agreed to provide this information. Based on the column headings, James inquired if the people were receiving services or just getting information. Pryde said the services provided off the mobile unit are mostly related to sexually transmitted diseases or flu shots. Flu shots represented the largest amount of activity. James wanted to receive quarterly information on these services.

Wallace distributed a new FY2009 CUPHD budget proposal because she now has a better handle on the CUPHD budget and what items should be included on the BOH budget. On Page 4 she provided revised personnel figures for the County contract services. She advised there were numerous changes because CUPHD determined the Board was being charged for some personnel it should not have and was not being charged for other personnel who should have been included in the budget proposal.

Scholze entered the meeting at 5:05 p.m.

Peterson asked if the new budget proposal involved more or fewer full-time equivalent positions (FTEs) that the BOH is being asked to compensate CUPHD for. Wallace confirmed the new proposal had more FTEs. Some of the services CUPHD provides in the county are 100% covered by grants while others are not. Other services being provided on behalf of the county had not been included in the CUPHD budget proposal. Wallace listed in the yellow columns the programs she perceives CUPHD as covering with their tax dollars for county residents during the past two years. She wanted the BOH to get a truer picture of services being provided to county residents than what CUPHD has provided in the past. Peterson asked how this proposal compared to original budget presented by CUPHD and approved by the BOH last year. Wallace stated the proposal was about a 26% increase in the budget request.

Rappaport asked what CUPHD's intention was with this proposal. Wallace answered that it was to have the BOH start paying CUPHD for these services to cover their revised cost projections. Pryde confirmed she and Wallace were here for a budget revision. They have been untangling the knot left by the previous CUPHD Finance Director and are requesting the BOH supply a budget amendment for this fiscal year to cover the increased costs.

Rappaport inquired about the BOH's obligations under its contract because a budget had already been approved for this fiscal year to pay CUPHD to provide certain services. Pryde said it depends on whether the BOH wants to continue the services it is receiving from CUPHD. Rappaport asked for Busey's opinion or possibly a legal opinion. Busey confirmed that budgets can be amended during a fiscal year, but typically the cost information is in hand when the budget is being prepared. This information was not provided when the BOH prepared its FY2009 budget. Wallace and Pryde confirmed their original budget proposal involved guesswork. Historically, CUPHD and the Board have not had a good budget picture. Busey reviewed the historical information and explained there was a huge increase in the CUPHD budget request from 2003 to 2004. The budget for CUPHD has been gradually increasing since then. The BOH needs to know when it has a transparent budget and figures from CUPHD in which it can have confidence.

Ramirez entered the meeting at 5:13 p.m.

Rappaport felt the BOH needs to know the assumptions that CUPHD uses in creating the budget numbers, such as what is being paid for and where the funding comes from. The BOH cannot responsibly respond to a budget without knowing the assumptions CUPHD uses to construct that budget proposal. Wallace said her figures were based off the 2008 service data. Pryde stated the assumptions are that the BOH has to provide the core services of water, sewage,

food, and communicable disease. The BOH has no choice about providing these services and unless the BOH can find another contractor, CUPHD is the only entity that offers these services. State grants cover some of these core service activities. The STD clinic is a massive program wherein the state only covers the medicine and lab testing. None of the staff in the STD clinic are supported by state dollars. The CUPHD budget expenses are 70% personnel costs. Pryde stated the BOH does not have to have an STD clinic, but she would not advise getting rid of it because it is a historical program. Rappaport agreed that Pryde should advise the BOH, but the Board has to have as much information as possible about the assumptions when making its decisions. Pryde said the BOH has to understand what CUPHD does in the community and how it operates. CUPHD will be requesting more money for FY2010. Discussion continued over the service responsibilities of the BOH.

Busey distributed a handout she prepared with several years' worth of budget data and projections. At the projected rate of expenditure, the BOH will reach the point it cannot afford its programs and needs help in prioritizing to determine what it can afford. The Tobacco Free Program, Bioterrorism – Emergency Preparedness Program, and the West Nile Virus Program are reimbursed by grants. Pryde stated the figures listed in Busey's handout were not the CUPHD expenses for those programs. Busey replied that the figures were based on the information the BOH was given by CUPHD. She showed what expenses were covered by the various grants and general revenue. The BOH's other contracts, outside of the main CUPHD contract, are for the child dental access services, home nursing services, and clerical support through Administrative Services. The BOH had a deficit budget last year. CUPHD administration costs are 16% of the budget proposal. Property tax revenue covers 40% of the CUPHD contract. These projections are not based on numbers CUPHD just presented to the committee. Based on grants and other revenue, the CUPHD contract expends \$284,000 more beyond its programs' revenues, which is then covered with the BOH's property tax revenue and the additional grant from the County Board. This year's original budget was projected to have a \$45,000 deficit. In FY2010, the property tax revenue should increase less than 2% and the County Board subsidy will cease. The BOH will be looking at a \$95,000 deficit in FY2010 without the additional \$170,054 in expenses CUPHD has presented today. Busey projected when the deficits will deplete the BOH's fund balance. With the additional \$170,054 cost increase for CUPHD, the BOH carryover will be gone by next year if all programs are maintained as they are currently funded.

The committee and staff discussed the increased costs presented today and the mandated versus non-mandated services. Wallace described why a certain percent of CUPHD employees' salaries are charged to the BOH. The personnel activities and cost are determined by CUPHD, not the BOH. Discussion continued over the budget and services.

Peterson noted the committee is out of time before the joint study session the full Board of Health would attend. He asked if Wallace had provided the IMRF projections in her handout. Wallace did not include the IMRF projections in her budget proposal and estimated those increased costs of 16.5% or a \$40,000 increase for IMRF alone. Pryde said she did not want to turn county residents away from services, but they may have to take this action.

Potential Budgeting Strategies for FY2010 Board of Health Budget

This topic was not discussed at the meeting because the Board members were due at a joint study session at 6:00 p.m.

Other Business

The committee agreed to reconvene as a Board study session next month and asked CUPHD staff to provide a budget estimate for FY2010.

Adjournment

The meeting was adjourned at 6:00 p.m.

Respectfully submitted,

Kat Bork
Board of Health Secretary

Secy's note: The minutes reflect the order of the agenda and may not necessarily reflect the order of business conducted at the meeting.